

**LOUIS ARMSTRONG NEW ORLEANS
INTERNATIONAL AIRPORT**

(A Proprietary Component Unit of the City of New Orleans)

Financial Statements

December 31, 2025 and 2024



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INDEPENDENT AUDITOR'S 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), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, 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 audits 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 4-17 and 64-66, 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 (collectively, the Schedules) 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 Schedules 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 June 29, 2026, 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
June 29, 2026

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

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 year ended December 31, 2025. 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, 2025 and 2024 by \$577,508,143 and \$579,205,336.
- The Airport's total net position decreased by \$1,697,193 or -0.29% for 2025 and increased by \$9,866,176 or 1.73% for 2024

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 statement of net position presents 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 statement of revenues, expenses, and changes in net position presents 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 this statement 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 statement of cash flows relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Airport's cash accounts are recorded in this statement. A reconciliation is a part

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

of this statement 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 \$3,412,916 (-0.17%) from 2024 to 2025 due primarily to the decrease in cash and cash equivalents by \$7,191,957, a decrease in accounts receivable of \$10,428,303. This is offset by the increase in net capital assets of \$9,279,846 and an increase in Due from the City of New Orleans of \$5,604,201. The decrease in cash is related to normal fluctuations of business and the decrease in accounts receivable is related to the reduction in AR tenants as tenant rents were collected timelier during the year. The increase in capital assets is related to improvements made to the terminal and the increase in the amount due from the City of New Orleans due to less timely collections from the City of New Orleans. Total liabilities and deferred inflows decreased by \$1,715,723 (0.12%) primarily resulting from a net decrease in capital projects and retainage payable of \$4,050,102, a decrease in accounts payable and accrued expenses of \$7,909,841, a decrease in pension liability of \$2,641,214 which is offset by a net increase in bond payables, including interest of \$7,155,028 and the increase in loans payable of \$17,334,068. Accounts and capital projects payable decreased due to the timing of payments made on outstanding payable balances before the end of the fiscal year. Bonds and Loans payable increased due to the issuance of new refunding bonds and short-term loans.

The largest portion of the Airport's net position, \$234,494,957 (40.60%) at 2025 and \$231,284,057 (39.93%) at 2024, 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, \$290,396,210 (50.28%) at 2025 and \$333,072,688 (57.43%) at 2024, 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, \$52,616,976 (9.11%) may be used to meet the Airport's ongoing obligations.

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Summary of Net Position (in thousands)

	2025	2024	2023
Assets:			
Current assets:			
Unrestricted assets	\$ 104,355	\$ 90,044	\$ 46,709
Restricted assets	323,391	305,325	251,155
Noncurrent assets:			
Unrestricted assets	68,033	67,809	53,782
Restricted assets	13,844	54,888	46,371
Net capital assets	1,526,534	1,521,894	1,512,723
Total assets	<u>\$ 2,036,157</u>	<u>\$ 2,039,960</u>	<u>\$ 1,910,740</u>
Deferred Outflows of Resources:			
Deferred amounts related to pension liability	\$ 2,088	\$ 1,230	\$ 3,239
Deferred amounts related to OPEB liability	1,183	1,393	1,699
Deferred losses on advance refunding	3,382	3,640	3,899
Total deferred outflows	<u>\$ 6,653</u>	<u>\$ 6,263</u>	<u>\$ 8,836</u>
Liabilities:			
Current liabilities	\$ 103,667	\$ 158,425	\$ 85,702
Noncurrent liabilities	1,225,520	1,173,220	1,180,579
Total liabilities	<u>\$ 1,220,187</u>	<u>\$ 1,331,646</u>	<u>\$ 1,266,281</u>
Deferred Inflows of Resources:			
Deferred amounts related to pension liability	\$ 4,820	\$ 2,141	\$ 759
Deferred amounts related to leases	60,716	60,853	45,991
Deferred amounts related to OPEB liability	1,691	1,684	1,513
Deferred gains on advanced refunding	34,199	35,999	-
Deferred amounts related to service concession arrangement	33,690	34,695	35,694
Total deferred inflows	<u>\$ 135,116</u>	<u>\$ 135,372</u>	<u>\$ 83,957</u>
Net Position:			
Net investment in capital assets	\$ 234,495	\$ 231,284	\$ 308,031
Restricted	290,396	333,073	264,487
Unrestricted	52,617	14,848	(3,179)
Total net position	<u>\$ 577,508</u>	<u>\$ 579,205</u>	<u>\$ 569,339</u>

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Debt Activity

At December 31, 2025 and 2024, the Airport had total debt outstanding of \$1,227,388,630 and \$1,223,150,413, 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)

	2025	2024	2023
Bonds payable:			
Revenue Bonds 2015A-B	\$ -	\$ -	\$ 565,325
Revenue Bonds 2017A-D	333,700	338,865	343,785
GO Zone CFC Revenue Bonds 2018	81,180	82,565	82,565
GO Zone Revenue Bonds 2019	20,075	20,895	21,675
Series 2023A-B	21,925	22,610	22,610
Series 2024A-C	606,440	606,440	-
Unamortized bond discount	(1,408)	(1,532)	(220)
Unamortized bond premium	66,529	71,743	75,703
Loans payable:			
Series 2022	-	61,054	61,054
Series 2024	34,367	20,510	-
Series 2025	64,530	-	-
	\$ <u>1,277,338</u>	\$ <u>1,223,150</u>	\$ <u>1,172,497</u>

More detailed information on long-term debt can be found in Note 6 of the accompanying financial statements.

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Capital Assets

The Airport's investment in capital assets for the years ended December 31, 2025 and 2024 is presented in the following tables. The total increase for the years ended December 31, 2025 and 2024 was 2.70% and 3.00%, respectively, before accumulated depreciation. The increase is due to the completion of the last remaining projects related to the new terminal, particularly the staff administration area. 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 2025
North Terminal Project Design/Construction	\$56 million
Hurricane Ida	\$2 million
Taxiway Construction	\$5 million

Project	Approximate cost during FY 2024
North Terminal Project Design/Construction	\$34 million
Taxiway Construction	\$24 million
Hurricane Ida	\$8 million

More detailed information on capital assets can be found in Note 5 of the accompanying financial statements.

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Net Capital Assets (in thousands)

	2025	2024	2023
Land	\$ 78,139	\$ 78,139	\$ 78,139
Air rights	22,282	22,282	22,282
Land improvements	598,788	601,537	575,258
Buildings and furnishings	1,789,871	1,721,936	1,679,654
Utilities	57,029	57,029	57,029
Fuel Tank Farm	39,118	39,118	39,118
Equipment	13,290	12,737	11,336
Computers	1,583	1,535	1,535
HP Finance Lease	908	908	908
Right-to-use SBITA asset	242	242	-
Construction in progress	80,255	71,977	66,309
Total capital assets	2,681,505	2,607,439	2,531,568
Less accumulated depreciation	1,154,971	1,085,545	1,018,845
Net capital assets	\$ 1,526,534	\$ 1,521,895	\$ 1,512,723

Airlines Rates and Charges

An Airline Airport Use and Lease Agreement became effective January 1, 2009. Actual rates for 2025, 2024 and 2023 are included in the table below.

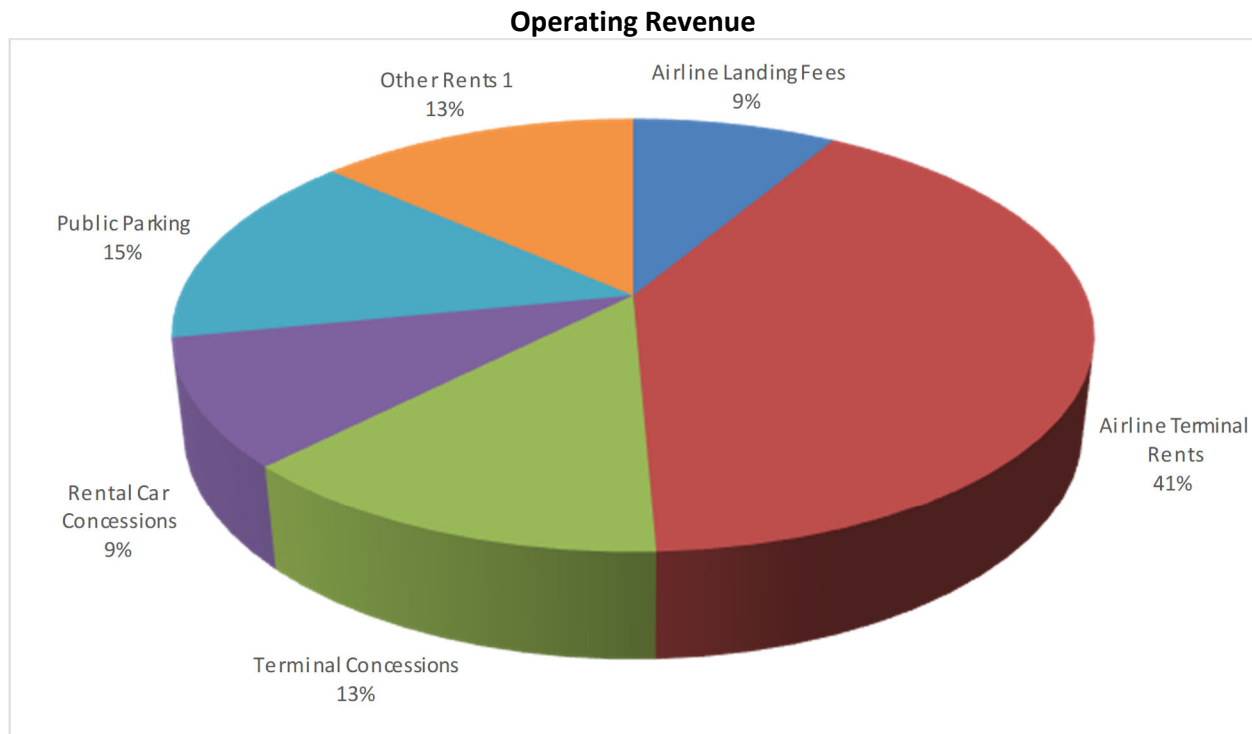
	2025	2024	2023
Terminal building rental rates (per sq. ft.)	\$221.42	\$171.28	\$169.85
Landing fee rate (per 1,000 lbs.)	1.42	0.26	0.46
Apron use fee rate (per sq. ft.)	1.44	1.47	2.04
Enplaned passenger use fee (per passenger)	11.54	9.43	9.24

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.

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Revenues

The following chart shows major sources and the percentage of operating revenues for the year ended December 31, 2025.



Operating Revenues (in thousands)

Passenger and cargo airlines:

Airline landing fees	\$	12,152	3,624	\$	4,163
Airline terminal rents		57,851	44,421		43,099
Land rents		120	142		158
Other rents		5,144	3,992		3,782

Total passenger and cargo airlines

75,267	52,179	51,202
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Non airline rentals:

Terminal concessions	18,587	17,592	16,640
Car rental concessions	13,430	12,750	12,089
Public parking	20,827	21,977	19,519
Other rents	13,780	11,514	10,276

Total nonairline revenues

66,624	63,833	58,524
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Total operating revenues

\$	141,891	116,012	\$	109,726
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Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

2025 vs. 2024

Total passenger and cargo airline revenue for 2025 increased by \$22 million (45.7%) compared to 2024 due to increased terminal, landing, and debt service expenses related to new Capital projects in 2025. Non-airline revenues primarily increased by \$3.9 million (5.8%) due to increased revenues related to Super Bowl LIX, and entering into new leases agreements.

2024 vs. 2023

Total passenger and cargo airline revenue for 2024 increased by \$0.8 million (1.7%) compared to **2023** due to increased Airline terminal rent, which was a result of increased passenger activity in 2024. Non-airline revenues increased by \$5.5 million (8.8%) due to increased terminal and car rental concessions, which is a result of increased passenger activity in 2024.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cost per enplaned passenger:			
Airline revenues	\$ 72,243	\$ 50,907	\$ 51,202
Enplaned passengers	6,218	6,561	6,367
Cost per enplaned passenger	<u>\$ 11.62</u>	<u>\$ 7.76</u>	<u>\$ 8.04</u>

Non-Operating Revenues and Capital Contributions (in thousands)

The following chart shows major sources of non-operating revenues for the years ended December 31, 2025, and 2024.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Investment income, net	\$ 14,420	\$ 16,362	\$ 14,348
Lease interest income	3,028	2,547	2,454
Passenger facility charges	24,447	25,794	25,016
Customer facility charges	20,207	15,800	14,961
Capital contributions	6,940	27,770	10,443
Federal grants	35	8,153	9,740
Other, net	3,449	6,242	11,897
	<u>\$ 72,526</u>	<u>\$ 102,668</u>	<u>\$ 88,859</u>

2025 vs. 2024

Non-operating revenues decreased for 2025 by \$30.1 million (29.4%) primarily due to an increase in capital contributions.

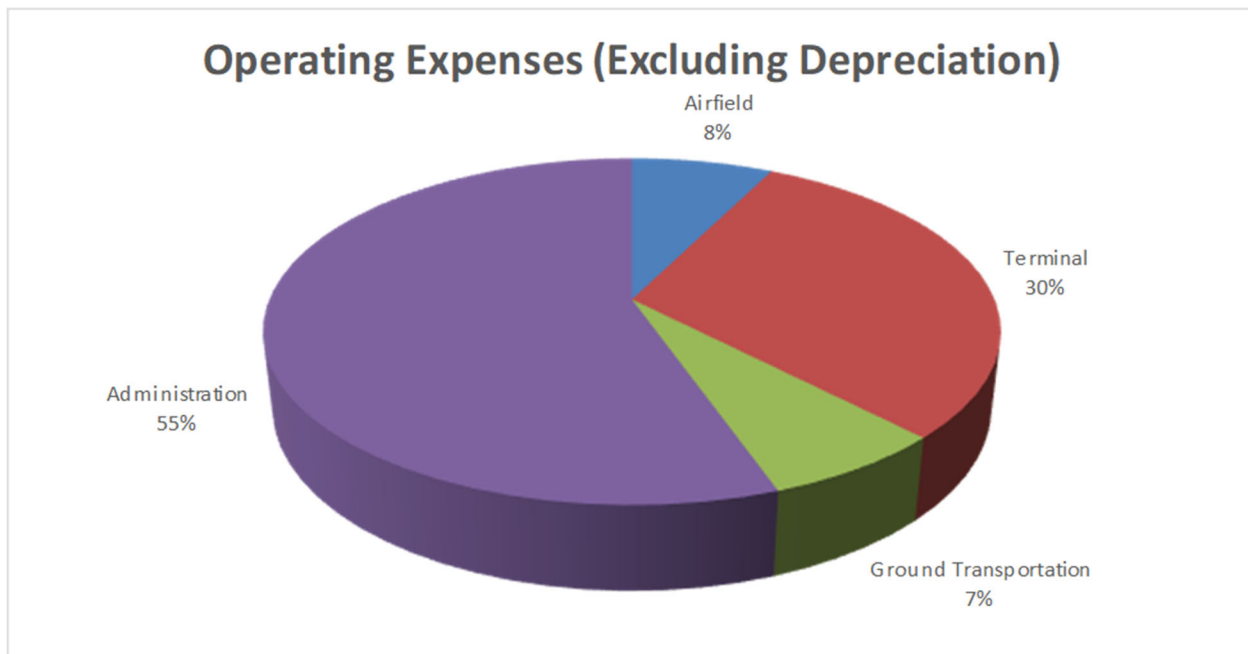
Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

2024 vs. 2023

Non-operating revenues increased for 2025 by \$13.8 million (15.5%) primarily due to an increase in capital contributions.

Expenses

The following chart shows major expense categories and the percentage of operating expenses for the year ended December 31, 2025.



Operating Expenses before Depreciation and Impairment

	2025	2024	2023
Direct			
Airfield	\$ 6,192	\$ 5,369	\$ 4,795
Terminal	25,316	24,941	25,040
Ground transportation	5,737	4,787	4,752
Administration	46,258	42,373	40,292
	<u>\$ 83,503</u>	<u>\$ 77,470</u>	<u>\$ 74,879</u>

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

2025 vs. 2024

The operating expenses, before depreciation and impairment, increased by approximately \$6.0 million compared to the prior year. This increase was primarily due to increased contract services and increased insurance expenses.

2024 vs. 2023

The operating expenses, before depreciation and impairment, increased by approximately \$2.6 million compared to the prior year. This increase was primarily due to increased contract services and increased insurance expenses.

Non-Operating Expenses

The following chart shows major expense categories of non-operating expenses for the years ended December 31, 2025, 2024 and 2023 (in thousands).

	2025	2024	2023
Interest expense and bond costs	\$ 52,606	\$ 54,370	\$ 49,251
Terminal transportation costs	10,090	10,275	8,020
Total Non-operating Expense	<u>\$ 62,696</u>	<u>\$ 64,645</u>	<u>\$ 52,271</u>

2025 vs. 2024

The Non-operating expense decreased by approximately \$1.9 million due to decreases in bond costs related to issuing new bonds.

2024 vs. 2023

The Non-operating expense increased by approximately \$12.4 million to increases in interest expenses and bond costs related to issuing new bonds, and increased terminal transportation costs.

Total Revenues and Expenses (in thousands)

The following table reflects the total revenues and expenses for the Airport (in thousands):

	2025	2024	2023
Total operating revenues	\$ 141,891	\$ 116,012	\$ 109,727
Total non-operating revenues	72,526	102,668	88,859
Total revenues	<u>\$ 214,417</u>	<u>\$ 218,670</u>	<u>\$ 198,586</u>
Total operating expenses	\$ 153,418	\$ 144,170	\$ 138,158
Total non-operating expenses	62,697	64,645	57,271
Total expenses	<u>\$ 216,115</u>	<u>\$ 208,815</u>	<u>\$ 195,429</u>

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Summary of Changes in Net Position (in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Summary of changes in net position:			
Operating revenues	\$ 141,891	\$ 116,012	\$ 109,726
Operating expenses before depreciation and impairment	<u>83,503</u>	<u>77,471</u>	<u>74,878</u>
Operating income before depreciation and impairment	58,388	38,541	34,848
Depreciation	69,915	66,699	63,279
Operating income (loss)	<u>(11,527)</u>	<u>(28,158)</u>	<u>(28,432)</u>
Non-operating revenues, net	<u>2,890</u>	<u>10,254</u>	<u>(21,144)</u>
Income before capital contributions and transfers	(8,637)	(17,904)	(7,287)
Capital contributions	<u>6,939</u>	<u>27,770</u>	<u>10,443</u>
Change in net position	<u>\$ (1,698)</u>	<u>\$ 9,866</u>	<u>\$ 3,155</u>

Operating income before depreciation and impairment increased \$5.9 million (7.6%) in 2025 compared to 2024. Depreciation expenses increased \$3.2 million (4.2%) due to timing of when projects in construction in progress being completed and transferred to depreciated fixed assets in 2024 and minimal assets being fully depreciated or disposed of. Non-operating revenues, net decreased \$7.4 million (255%) primarily due to a decrease in cost of issuance of bonds. Capital contributions decreased by \$20.8 million (300%) due to the decrease in funding received from TSA, FAA 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.

<u>Revenue Refunding Bonds</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
GARB Series Bonds	143.0%	147.0%	135.0%

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.

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

The Board approved the Rollover Coverage for fiscal years 2013-2025 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, \$16,508,343, \$16,701,793, \$16,925,759 and \$16,505,000, 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 143% year ended December 31, 2025 and 147% for the year ended December 31, 2024.

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 2025 decreased to 12,424,242 (5.3%), from 13,115,013 passengers in 2024, due to decreases in air travel. Aircraft landed weights increased from 7,992,678 in 2024 to 8,082,827 in 2025 (1.1%).

Passenger totals for 2024 increased to 13,115,013 (2.92%), from 12,742,512 passengers in 2023, due to increases in air travel. Aircraft landed weights increased from 7,988,795 in 2023 to 7,992,678 in 2024 (0.004%).

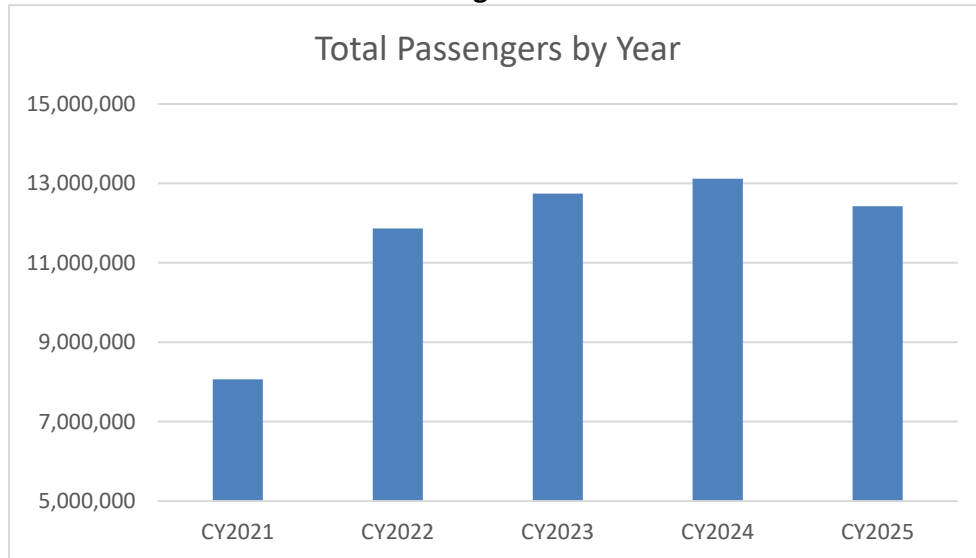
Selected statistical information about total passengers, aircraft landed weight, and air carrier operations for the past three years are presented in the table below.

Fiscal year	Total passengers	Landed weight (1,000 pound units)	Air carrier operations
2023	12,742,512	7,988,795	106,750
2024	13,115,013	7,992,678	108,882
2025	12,424,242	8,082,827	107,517

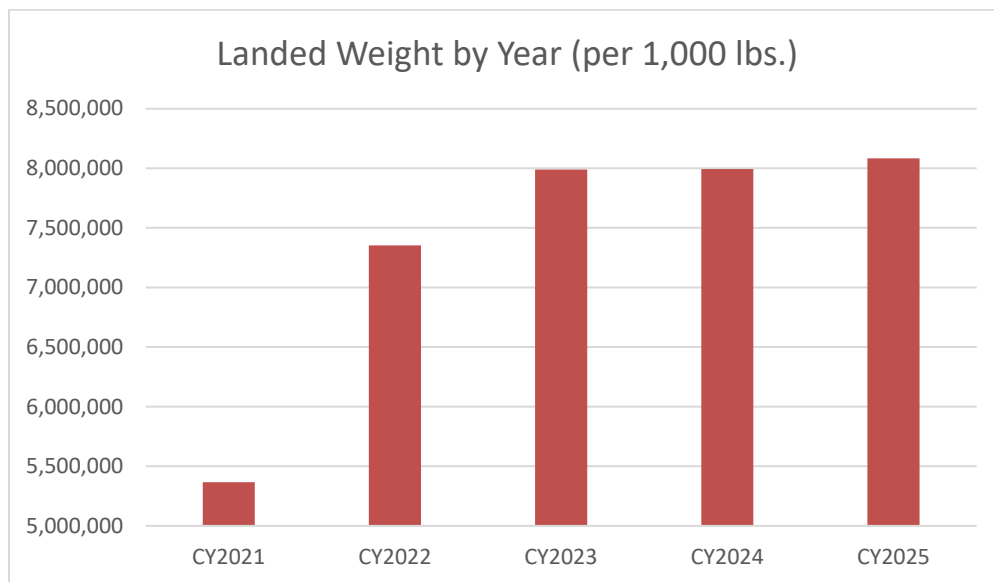
Fiscal year	Number of daily departures	Number of destinations	Average daily seats
2023	145	71	22,691
2024	145	71	23,086
2025	148	67	23,499

Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Total Passengers for the Year

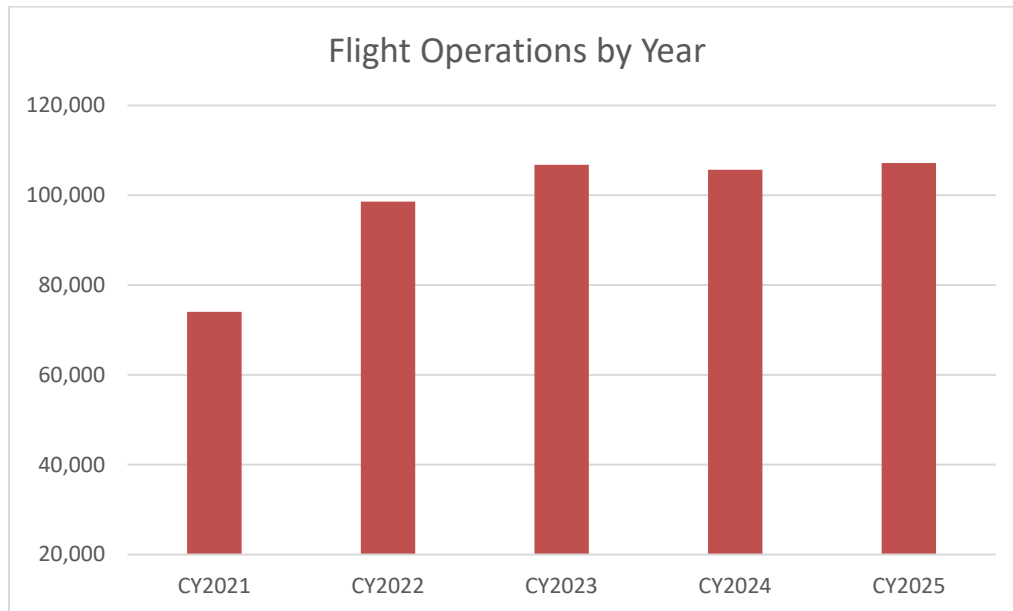


Landed Weight per 1,000 pounds



Louis Armstrong New Orleans International Airport Management's Discussion and Analysis

Number of Passenger Flight Operations



Economic Factors and Next Year's Budget

The Airport budgeted for a decrease in 2026 non-airline revenue compared to 2025, going from \$72.2 million to \$72 million, tallying to a \$200 thousand (approx. 0%) decrease over the previous year's budget. This is primarily attributed to hosting Super Bowl LIX, in February 2025, and the expectation that there will be a decrease in passenger traffic in 2026.

Compared to the 2025 budget, the Airport proposed an increase in the 2026 operating expenses of \$4.7 million (approx. 5%). This is driven primarily by increases in safety and security, R&M, and insurance based on the current insurance market.

The Airport continues to budget and maintain a competitive total cost per enplanement (CPE) rate. The Airport is projecting that the CPE for 2026 will be \$10.54.

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

<i>December 31,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 8,692,642	\$ 6,495,855
Accounts receivable, less allowance for doubtful accounts	12,068,753	22,497,056
Due from the City of New Orleans	5,608,327	-
Capital grant receivable	8,056,016	17,273,462
Investments	57,083,079	32,648,343
Interest receivable	214,063	338,924
Lease receivable	10,653,573	10,320,666
Prepaid expenses and deposits	1,050,627	469,356
Total current unrestricted assets	103,427,080	90,043,662
Restricted assets		
Cash and cash equivalents	62,394,704	71,783,448
Investments	197,847,726	226,782,334
Passenger facility charges receivable	3,193,213	5,079,288
Customer facility charges receivable	1,939,533	1,680,252
Total current restricted assets	265,375,176	305,325,322
Total current assets	368,802,256	395,368,984
Noncurrent assets		
Investments	14,418,203	12,976,783
Restricted investments	71,859,399	54,887,665
Lease receivable, non-current	53,208,021	53,478,797
Prepaid insurance on revenue bonds, less accumulated amortization	328,122	342,492
Advances to related facility management company	1,011,301	1,011,301
Capital assets		
Capital assets not being depreciated	180,675,895	172,398,145
Capital assets being depreciated	2,500,829,119	2,435,040,893
Less accumulated depreciation	(1,154,970,583)	(1,085,544,530)
Net capital assets	1,526,534,431	1,521,894,508
Total noncurrent assets	1,667,359,477	1,644,591,546
Total assets	2,036,161,733	2,039,960,530
Deferred Outflows of Resources		
Deferred amounts related to net pension liability (note 8)	2,087,775	1,230,094
Deferred amounts related to total OPEB liability (note 9)	1,183,342	1,392,482
Deferred losses on advance refunding	3,381,696	3,640,230
Total deferred outflows of resources	6,652,813	6,262,806

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport

Statements of Net Position

December 31,	2025	2024
Liabilities		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	\$ 29,563,040	\$ 37,472,881
Due to City of New Orleans	-	1,830,234
Accrued salaries and other compensation	3,083,704	4,753,373
Capital projects and retainage payable	2,148,674	14,569,805
Unearned revenue	2,778,010	1,084,673
Subscription liability, current portion	43,049	46,176
Total OPEB liability, due within one year (note 9)	245,951	371,172
Total unrestricted current liabilities	37,862,428	60,128,314
Payable from restricted assets:		
Capital projects and retainage payable	13,947,288	5,576,259
Accrued loan interest payable	6,640	-
Loans payable, current portion (note 6)	-	61,053,801
Finance lease payable, current portion (note 7)	57,785	171,160
Accrued bond interest payable	26,811,685	15,564,959
Bonds payable, current portion (note 6)	29,949,077	15,930,853
Total restricted current liabilities	70,772,475	98,297,032
Total current liabilities	108,634,903	158,425,346
Noncurrent liabilities:		
Loans payable (note 6)	98,897,872	20,510,003
Finance lease payable, less current portion (note 7)	-	57,785
Subscription liability, less current portion	96,831	135,866
Bonds payable, less current portion (note 6)	1,098,491,681	1,125,655,750
Net pension liability (note 8)	18,695,289	21,336,503
Total OPEB liability, due beyond one year (note 9)	5,374,035	5,524,436
Total noncurrent liabilities	1,221,555,708	1,173,220,343
Total liabilities	1,330,190,611	1,331,645,689
Deferred Inflows of Resources		
Deferred amounts related to net pension liability (note 8)	4,819,731	2,141,416
Deferred amounts related to total OPEB liability (note 9)	1,690,617	1,683,888
Deferred amounts related to leases (note 12)	60,716,553	60,852,497
Deferred gains on advanced refunding	34,199,264	35,999,224
Deferred amounts related to service concession arrangement (note 10)	33,689,627	34,695,286
Total deferred inflows of resources	135,115,792	135,372,311
Net Position		
Net investment in capital assets	234,494,957	231,284,057
Restricted for:		
Debt service	130,203,393	120,656,619
Capital acquisition	128,420,120	182,408,617
Operating reserve	31,772,697	30,007,452
Unrestricted	52,616,976	14,848,591
Total net position	\$ 577,508,143	\$ 579,205,336
Total liabilities, deferred inflows of resources, and net position	\$ 2,042,814,546	\$ 2,046,223,336

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport

Statements of Revenues, Expenses, and Changes in Net Position

<i>For the year ended December 31,</i>	2025	2024
Operating revenues		
Airfield	\$ 18,300,742	\$ 8,408,290
Terminal	118,279,200	103,937,194
Ground transportation	5,311,322	3,666,456
Total operating revenues	141,891,264	116,011,940
Operating expenses		
Direct:		
Airfield	6,191,564	5,369,351
Terminal	25,316,459	24,940,468
Ground transportation	5,736,972	4,787,400
Depreciation	69,914,594	66,699,349
Administrative	46,258,330	42,373,367
Total operating expenses	153,417,919	144,169,935
Operating (loss) income	(11,526,655)	(28,157,995)
Nonoperating revenues (expenses)		
Investment income (loss), net	14,420,299	16,361,802
Interest expense	(52,265,175)	(52,097,631)
Lease interest income	3,027,747	2,546,804
Passenger facility charges	24,447,215	25,794,419
Customer facility charges	20,207,286	15,800,411
Cost of issuance of bonds	(341,065)	(2,272,128)
Terminal transportation costs	(10,090,460)	(10,275,218)
Federal grants	34,680	8,153,198
Insurance revenue	1,207,244	5,690,149
Gain on disposal of capital assets	37,978	30,916
Other, net	2,204,258	521,298
Total nonoperating revenues, net	2,890,007	10,254,020
Change in net position before capital contributions	(8,636,648)	(17,903,975)
Capital contributions (note 11)	6,939,455	27,770,151
Change in net position	(1,697,193)	9,866,176
Net position, beginning of year	579,205,336	569,339,160
Total net position, end of year	\$ 577,508,143	\$ 579,205,336

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport
Statements of Cash Flows

<i>For the years ended December 31,</i>	2025	2024
Cash flows from Operating activities		
Cash received from customers	\$ 153,725,882	\$ 111,455,829
Cash paid to suppliers for goods and services	(77,001,960)	(38,776,988)
Cash paid to employees and on behalf of employees for services	(24,981,040)	(19,683,226)
Net cash provided by (used in) operating activities	51,742,882	52,995,615
Cash flow from Noncapital financing activities		
Sales tax receipts	1,451,514	1,489,257
Operating grants and reimbursements from other governments	310,498	9,150,634
Other payments	(7,556,045)	(9,530,592)
Net cash provided by (used in) noncapital financing activities	(5,794,033)	1,109,299
Cash flows from Capital and related financing activities		
Passenger facility charges collected	26,333,290	25,792,405
Customer facility charges collected	19,948,005	15,954,283
Lease interest income	3,027,747	2,546,804
Acquisition and construction of capital assets	(81,600,472)	(69,883,611)
Proceeds from sale of capital assets	74,000	66,938
Proceeds from insurance for Hurricane Ida Damages	1,207,244	5,690,149
Capital grants received	16,156,901	17,783,765
Issuance of revenue bonds	78,169,111	691,487,455
Principal paid on loan and revenue bond maturities	(68,890,043)	(600,223,317)
Interest paid on bonds, loans, and leases	(47,644,080)	(66,750,206)
Principal paid on lease payables	(213,322)	10,882
Cost of bond issuance and insurance	(341,065)	(2,272,128)
Net cash provided by (used in) capital and related financing activities	(53,772,684)	20,203,419
Cash flows from Investing activities		
Sales of investments	532,806,812	527,237,850
Purchases of investments	(546,720,094)	(546,720,094)
Interest and dividends on investments	14,545,160	16,082,463
Net cash provided by (used in) investing activities	631,878	(3,399,781)
Net change in cash and cash equivalents	(7,191,957)	70,908,552
Cash and cash equivalents at beginning of year	78,279,303	7,370,751
Cash and cash equivalents at end of year	\$ 71,087,346	\$ 78,279,303
Cash, current	\$ 8,692,642	\$ 6,495,855
Cash, current restricted	62,394,704	71,783,448
Cash and cash equivalents at end of year	\$ 71,087,346	\$ 78,279,303

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport
Statements of Cash Flows

<u>December 31,</u>	<u>2025</u>	<u>2024</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating loss	\$ (11,526,655)	\$ (28,157,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	69,914,594	66,699,349
Deferred outflows of resources		
Related to net pension and total OPEB liability	(648,541)	2,314,501
Deferred inflows of resources		
Related to net pension and total OPEB liability	2,685,044	1,553,541
Related to leases	(135,944)	14,861,743
Net pension liability	(2,641,214)	(4,031,231)
Total OPEB liability	(275,622)	(510,672)
Change in allowance for doubtful accounts	8,235	(273,865)
Changes in assets and liabilities:		
Accounts receivable	10,331,121	(3,991,821)
Leases receivable	(62,131)	(15,707,307)
Prepaid expenses and deposits	(581,271)	168,750
Accounts payable	(7,909,841)	16,575,431
Accrued salaries and other compensation	(1,669,669)	1,670,922
Due from City of New Orleans	(5,608,327)	-
Due to City of New Orleans	(1,830,234)	1,269,130
Unearned revenue	1,693,337	555,139
Total adjustments	63,269,537	81,153,610
Net cash provided by (used in) operating activities	\$ 51,742,882	\$ 52,995,615

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport

Notes to 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 eight 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, 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.

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. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, pension liability and OPEB liability.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash consists of amounts deposited with commercial banks in interest bearing and noninterest bearing demand accounts. The Airport considers all liquid investments with original maturities of three months or less to be cash equivalents. For purposes of the statements of cash flows, cash and cash equivalents include unrestricted and restricted cash, consisting primarily of cash in banks.

Accounts Receivable

Accounts receivable consist of amounts owed from airlines, rental car companies, tenants and other operators. 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.

Lease Receivables

The Airport is a lessor for noncancellable leases of Airport property. The Airport recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

Under the lease agreements, the Airport may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Airport uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Airport monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets and Liabilities

The trust agreements governing the Airport's various revenue bonds require the segregation of certain assets into restricted accounts and limits their use to specific items as defined by the document. Current liabilities payable from restricted assets are the liabilities that are to be retired by the use of restricted assets. Passenger facility charges receivable, customer facility charges receivable, and unliquidated cash balances resulting from collections of passenger facility charges (PFC) and rental car customer facility charges (CFC) are also reported as restricted assets as their use is legally restricted.

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.

The estimated useful lives by major classification are as follows:

	Estimated useful lives (years)
Land improvements	10 – 25
Buildings and furnishings	3 – 25
Fuel tank farm	27
Utilities	5 – 25
Equipment	3 – 15
Computers	3 – 15

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$2,075,835 for the years ended December 31, 2025 and 2024, respectively, and is recorded in administrative expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

Long-term Debt and Related Items

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. Bond 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 2017, 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.

Compensated Absences

The Airport recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *annual and sick leave*. Annual leave and sick leave liabilities are included in accrued salaries and other compensation in the financial statements.

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.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 10 for additional information. Deferred inflows for leases have been recognized for the amount of lease receivables. See lease receivables note below and note 12 for additional information.

Operating Revenue and Expenses

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods. It also includes all revenue and expenses not related to capital and financing, noncapital financing or investing activities. 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.

Rentals and concession fees are generated from airlines, parking structures and lots, rental cars, fixed based operators, food and beverage, retail, advertising and other commercial tenants. Leases are

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenue and Expenses (Continued)

typically for terms from one or more years and generally require rental payments based on the volume of business, with specific minimum annual rental payments required. Rental revenue is recognized on a straight-line basis over the life of the respective leases, and concession revenue is recognized based on the greater of a percentage of reported concessions gross receipts activity or minimum annual guarantee (privilege fee) as well as a fixed premise and support space rental.

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.

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 2025 are as follows:

	2025	2024
Terminal building rental rates (per sq. ft.)	\$221.42	\$ 171.28
Landing fee rate (per 1,000 lbs.)	1.42	0.26
Apron use fee rate (per sq. ft.)	1.44	1.47
Enplaned passenger use fee (per passenger)	11.54	9.43

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. For the year ended December 31, 2025, 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, 2025 and 2024, the Airport is authorized to collect up to \$902,411,300 of PFC revenue through the expiration of the PFC, of which \$594,904,913 and \$565,532,280 has been collected. As of December 31, 2025 and 2024, respectively, the legal expiration date and projected expiration date on PFC revenue collection is August 1, 2034 and June 1, 2040, respectively.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Passenger Facility Charges (Continued)

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, 2019 and 2024 A/B 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.

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 Federal Aviation Administration (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.

Non-Operating Revenue and Expenses

Non-operating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the Airport. This classification includes investment income, interest expense, lease interest income, passenger facility charges, customer facility charges, cost of issuance of bonds,

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.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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.

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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Pronouncements

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement were implemented during the year ended December 31, 2025. There was no impact to the financial statements as a result of this adoption.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

The Airport is evaluating the requirements of the above statements and the impact on financial reporting.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts previously reported in the financial statements for the prior year have been reclassified to conform with the current year classifications. Such impact had no change in net position previously reported.

Note 2: CASH AND INVESTMENTS

The commercial bank balances of cash and cash equivalents total \$8,730,123 and \$6,485,454 at December 31, 2025 and 2024, respectively. The commercial bank balances are fully 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, 2025 and 2024, the Airport held the following debt investments as categorized below:

Investment Maturities at December 31, 2025

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	\$ 11,483,236	\$ 85,345,349	\$ 96,828,585
Total debt investments	\$ 11,483,236	\$ 85,345,349	\$ 96,828,585

Investment Maturities at December 31, 2024

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	\$ 20,428,489	\$ 67,864,447	\$ 88,292,936
Total debt investments	\$ 20,428,489	\$ 67,864,447	\$ 88,292,936

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.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

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 \$54,891,820 and \$16,839,258, respectively, at December 31, 2025 and \$29,802,829 and \$16,905,283, respectively, at December 31, 2024 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 AAAM 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.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

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, 2025	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	\$	96,828,585	\$ 96,828,585	\$ -	\$ -
Total investments at fair value level		<u>96,828,585</u>	<u>\$ 96,828,585</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at amortized cost:					
Money market funds		172,648,744			
LAMP		<u>71,731,078</u>			
Total investments at amortized cost		<u>244,379,822</u>			
Total investments	\$	<u><u>341,208,407</u></u>			

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 2: CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement (Continued)

	Fair Value Hierarchy			
	Total at December 31, 2024	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	\$ 88,292,936	\$ 88,292,936	\$ -	\$ -
Total investments at fair value level	<u>88,292,936</u>	<u>\$ 88,292,936</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at amortized cost:				
Money market funds	192,294,077			
LAMP	<u>46,708,112</u>			
Total investments at amortized cost	<u>239,002,189</u>			
Total investments	<u>\$ 327,295,125</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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 consisted of the following:

	2025	2024
Due from tenants	\$ 6,902,691	\$ 9,725,854
Parking garage	2,626,837	3,597,242
Rent receivable – Service concession arrangement	2,597,783	2,686,730
Other	<u>12,473</u>	<u>6,550,026</u>
	12,139,784	22,559,852
Less: allowance for doubtful accounts	<u>(71,031)</u>	<u>(62,796)</u>
	<u>\$ 12,068,753</u>	<u>\$ 22,497,056</u>

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

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, 2025:

	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	\$ 41,290,401	\$ 25,577,623	\$ -	\$ -	\$ -	\$ 66,868,024
Debt service reserve fund	3,676,438	15,950,509	70,520,062	-	-	90,147,009
Capitalized interest	-	6	-	-	-	6
Coverage account	-	1,923,294	-	-	-	1,923,294
Operations and maintenance reserve fund	-	14,933,438	-	-	-	14,933,438
Capital improvement fund	(19,313)	79,049,320	-	-	-	79,030,007
GARB restricted	13,980,259	12,798,522	-	-	-	26,778,781
Receipts fund	274,098	7,905,833	-	-	-	8,179,931
Rollover fund	-	16,839,258	-	-	-	16,839,258
PFC collect	47,883	-	-	-	-	47,883
CFC collect	3,144,938	21,906,677	-	-	-	25,051,615
Bond costs	-	963,246	-	-	-	963,246
Parking Facility Reserve	-	-	1,339,337	-	-	1,339,337
Receivables	-	-	-	3,193,213	1,939,533	5,132,746
Total	\$ <u>62,394,704</u>	\$ <u>197,847,726</u>	\$ <u>71,859,399</u>	\$ <u>3,193,213</u>	\$ <u>1,939,533</u>	\$ <u>337,234,575</u>

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2024:

	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	\$ 5,405,527	\$ 26,500,996	\$ -	\$ -	\$ -	\$ 31,906,523
Debt service reserve fund	4,001,357	46,714,638	53,602,357	-	-	104,318,352
Capitalized interest	-	6	-	-	-	6
Coverage account	-	1,920,446	-	-	-	1,920,446
Operations and maintenance reserve fund	-	13,102,169	-	-	-	13,102,169
Capital improvement fund	(19,313)	79,276,986	-	-	-	79,257,673
GARB restricted	62,246,334	12,606,647	-	-	-	74,852,981
Receipts fund	149,622	5,971,553	-	-	-	6,121,175
Rollover fund	-	16,905,283	-	-	-	16,905,283
PFC collect	-	-	-	-	-	-
CFC collect	(79)	23,132,879	-	-	-	23,132,800
Bond costs	-	650,731	-	-	-	650,731
Parking Facility Reserve	-	-	1,285,308	-	-	1,285,308
Receivables	-	-	-	5,079,288	1,680,252	6,759,540
Total	\$ <u>71,783,448</u>	\$ <u>226,782,334</u>	\$ <u>54,887,665</u>	\$ <u>5,079,288</u>	\$ <u>1,680,252</u>	\$ <u>360,212,987</u>

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

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 year ended December 31, 2025 and 2024 is as follows:

	Balance December 31, 2024	Additions during year	Deletions/ transfers during year	Balance December 31, 2025
Capital assets not being depreciated:				
Land	\$ 78,138,359	\$ -	\$ -	\$ 78,138,359
Air rights	22,282,449	-	-	22,282,449
Construction in progress	71,977,337	74,580,702	(66,302,952)	80,255,087
Total capital assets not being depreciated	172,398,145	74,580,702	(66,302,952)	180,675,895
Capital assets being depreciated/amortized:				
Land improvements	601,536,525	-	(2,748,970)	598,787,555
Buildings and furnishings	1,721,935,701	67,935,737	-	1,789,871,438
Fuel tank farm	39,118,194	-	-	39,118,194
Utilities	57,029,411	-	-	57,029,411
Equipment	12,736,503	937,809	(384,736)	13,289,576
Computers	1,534,992	48,386	-	1,583,378
HP Finance Lease	907,747	-	-	907,747
Right-to-use SBITA assets	241,820	-	-	241,820
Total capital assets Being depreciated/amortized	2,435,040,893	68,921,932	(3,133,706)	2,500,829,119
Total capital assets	2,607,439,038	143,502,634	(69,436,658)	2,681,505,014
Less accumulated depreciation/amortization:				
Land improvements	426,033,661	16,649,299	(103,805)	442,579,155
Buildings and furnishings	613,584,308	49,581,779	-	663,166,087
Fuel tank farm	4,977,328	979,974	-	5,957,302
Utilities	27,550,060	2,056,058	-	29,606,118
Equipment	11,296,942	432,462	(384,736)	11,344,668
Computers	1,390,484	1,613	-	1,392,097
HP Finance Lease	679,499	165,045	-	844,544
Right-to-use SBITA assets	32,248	48,364	-	80,612
Total accumulated Depreciation/amortization	1,085,544,530	69,914,594	(488,541)	1,154,970,583
Total capital assets, net	\$ 1,521,894,508	\$ 73,588,040	\$ (68,948,117)	\$ 1,526,534,431

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT (CONTINUED)

	Balance December 31, 2023	Additions during year	Deletions/ transfers during year	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 78,138,359	\$ -	\$ -	\$ 78,138,359
Air rights	22,282,449	-	-	22,282,449
Construction in progress	66,308,935	75,863,939	(70,195,537)	71,977,337
Total capital assets not being depreciated	166,729,743	75,863,939	(70,195,537)	172,398,145
Capital assets being depreciated/amortized:				
Land improvements	575,258,495	26,278,030	-	601,536,525
Buildings and furnishings	1,679,654,210	42,281,491	-	1,721,935,701
Fuel tank farm	39,118,194	-	-	39,118,194
Utilities	57,029,411	-	-	57,029,411
Equipment	11,335,631	1,400,872	-	12,736,503
Computers	1,534,992	-	-	1,534,992
HP Finance Lease	907,747	-	-	907,747
Right-to-use SBITA assets	-	241,820	-	241,820
Total capital assets Being depreciated/amortized	2,364,838,680	70,202,213	-	2,435,040,893
Total capital assets	2,531,568,423	146,066,152	(70,195,537)	2,607,439,038
Less accumulated depreciation/amortization:				
Land improvements	410,674,712	15,358,949	-	426,033,661
Buildings and furnishings	565,798,829	47,785,479	-	613,584,308
Fuel tank farm	3,997,354	979,974	-	4,977,328
Utilities	25,492,721	2,057,339	-	27,550,060
Equipment	10,976,627	320,315	-	11,296,942
Computers	1,390,484	-	-	1,390,484
HP Finance Lease	514,454	165,045	-	679,499
Right-to-use SBITA assets	-	32,248	-	32,248
Total accumulated Depreciation/amortization	1,018,845,181	66,699,349	-	1,085,544,530
Total capital assets, net	\$ 1,512,723,242	\$ 79,366,803	\$ (70,195,537)	\$ 1,521,894,508

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT (CONTINUED)

Construction in progress is composed of the following at December 31, 2025 and 2024:

Description	2025	2024	Remaining Commitments at 2025
Airfield Lighting Vault	\$ -	\$ -	\$ 129,942
Airside Development	687,904	424,423	10,698,807
New Terminal Development	7,240,377	9,214,805	27,987,762
Miscellaneous Projects	59,286,420	56,476,024	131,843,498
Roadways Development	9,385,409	4,109,771	24,905,906
Parking – Surface	415,863	79,445	7,635,302
Parking – Circulation Bridge	-	-	2,148
Southside Redevelopment	3,239,111	1,672,869	4,325,245
Total	\$ 80,255,082	\$ 71,977,337	\$ 207,532,748

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 6: LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2025 and 2024 as follows:

Long-Term Debt	Balance December 31, 2024	Additions	Deductions	Balance December 31, 2025	Principal due within one year
<u>Bonds Payable:</u>					
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	\$ 93,840,000	\$ -	\$ (1,000,000)	\$ 92,840,000	\$1,045,000
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	205,705,000	-	(2,160,000)	203,545,000	2,270,000
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	39,320,000	-	(2,005,000)	37,315,000	2,105,000
Series 2018 Go Zone CFC Bonds Revenue Refunding Bonds, fixed interest rate ranging from 4% - 5% ; January 1, 2040	82,565,000	-	(1,385,000)	81,180,000	3,765,000
Series 2019 GO ZONE Revenue Bonds, fixed interest rate, January 1, 2041 at 5% final maturity	20,895,000	-	(820,000)	20,075,000	860,000
Series 2023A GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	4,245,000	-	-	4,245,000	-
Series 2023B GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	18,365,000	-	(685,000)	17,680,000	720,000
Series 2024A GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	48,445,000	-	-	48,445,000	1,205,000

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 6: LONG-TERM DEBT (CONTINUED)

	Balance December 31, 2024	Additions	Deductions	Balance December 31, 2025	Principal due within one year
<u>Bonds Payable, (continued):</u>					
Series 2024B GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	464,095,000	-	-	464,095,000	11,515,000
Series 2024C-1 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	20,065,000	-	-	20,065,000	-
Series 2024C-2 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	68,825,000	-	-	68,825,000	-
Series 2024C-3 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	5,010,000	-	-	5,010,000	1,500,000
	<u>1,071,375,000</u>	<u>-</u>	<u>(8,055,000)</u>	<u>1,063,320,000</u>	<u>24,985,000</u>
Unamortized discount on bonds	(1,531,989)	-	124,107	(1,407,882)	(119,426)
Unamortized premium on bonds	71,743,592	-	(5,214,953)	66,528,639	5,083,503
	<u>1,141,586,603</u>	<u>-</u>	<u>(13,145,846)</u>	<u>1,128,440,757</u>	<u>29,949,077</u>
<u>Loans Payable:</u>					
Series 2022 Series Trust rate, October 1, 2025 at 10% final maturity	61,053,801	-	(61,053,801)	-	-
General Airport Revenue Draw-Down Bond Anticipation Notes Series 2024, SOFR plus 1.70%, March 1, 2026	20,510,003	13,857,464	-	34,367,467	-
Series 2025 Series Trust rate, September 29, 2027 at 10% final maturity	-	61,272,561	-	61,272,561	-
CFC Loan					
CFC Loan with fixed 3.8% interest matures December 3, 2028	-	3,257,845	-	3,257,845	-
	<u>81,563,804</u>	<u>78,387,870</u>	<u>(61,053,801)</u>	<u>98,897,872</u>	<u>-</u>
	<u>\$ 1,223,150,407</u>	<u>\$ 78,169,111</u>	<u>\$ (74,199,647)</u>	<u>\$ 1,227,338,630</u>	<u>\$ 29,949,077</u>

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 6: LONG-TERM DEBT (CONTINUED)

Long-Term Debt	Balance December 31, 2023	Additions	Deductions	Balance December 31, 2024	Principal due within one year
<u>Bonds Payable:</u>					
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	94,770,000	-	(930,000)	93,840,000	1,000,000
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	207,785,000	-	(2,080,000)	205,705,000	2,160,000
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	41,230,000	-	(1,910,000)	39,320,000	2,005,000
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	1,385,000
Series 2019 GO ZONE Revenue Bonds, fixed interest rate, January 1, 2041 at 5% final maturity	21,675,000	-	(780,000)	20,895,000	820,000
Series 2023A GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	4,245,000	-	-	4,245,000	-

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 6: LONG-TERM DEBT (CONTINUED)

	Balance December 31, 2023	Additions	Deductions	Balance December 31, 2024	Principal due within one year
<u>Bonds Payable, (continued):</u>					
Series 2023B GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	18,365,000	-	-	18,365,000	685,000
Series 2024A GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	-	48,445,000	-	48,445,000	-
Series 2024B GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	-	464,095,000	-	464,095,000	-
Series 2024C-1 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	-	20,065,000	-	20,065,000	-
Series 2024C-2 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	-	68,825,000	-	68,825,000	-
Series 2024C-3 GARB Premium Revenue Bonds, fixed interest rate ranging from 5% ; January 1, 2044	-	5,010,000	-	5,010,000	-
	<u>1,035,960,000</u>	<u>606,440,000</u>	<u>(571,025,000)</u>	<u>1,071,375,000</u>	<u>8,055,000</u>
Unamortized discount on bonds	(220,239)	(1,334,800)	23,050	(1,531,989)	(22,655)
Unamortized premium on bonds	<u>75,703,672</u>	<u>36,673,935</u>	<u>(40,634,016)</u>	<u>71,743,592</u>	<u>7,898,508</u>
	<u>1,111,443,433</u>	<u>641,779,135</u>	<u>(611,635,966)</u>	<u>1,141,586,603</u>	<u>15,930,853</u>
<u>Loans Payable:</u>					
Series 2022 Series Trust rate, October 1, 2025 at 10% final maturity	61,053,802	-	-	61,053,801	61,053,801
General Airport Revenue Draw- Down Bond Anticipation Notes Series 2024, SOFR plus 1.70%, March 1, 2026	-	49,708,320	(29,198,317)	20,510,003	-
	<u>61,053,802</u>	<u>49,708,320</u>	<u>(29,198,317)</u>	<u>81,563,804</u>	<u>-</u>
	<u>\$ 1,172,497,235</u>	<u>\$ 691,487,455</u>	<u>\$ (640,834,283)</u>	<u>\$ 1,223,150,407</u>	<u>\$ 76,984,654</u>

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 6: LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity for all outstanding bonds and loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Bonds Payable:			
December 31:			
2026	\$ 24,985,000	53,022,492	78,007,492
2027	26,245,000	51,747,637	77,992,637
2028	27,535,000	50,409,003	77,944,003
2029	28,925,000	49,001,206	77,926,206
2030	30,360,000	47,520,438	77,880,438
2031-2035	176,155,000	212,667,313	388,822,313
2036-2040	235,915,000	162,311,269	398,226,269
2041-2045	276,565,000	96,958,381	373,523,381
2046-2050	214,325,000	23,362,625	237,687,625
2051-2055	22,310,000	2,302,556	24,612,556
	<u>\$ 1,063,320,000</u>	<u>\$ 749,302,920</u>	<u>\$ 1,812,622,920</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Loans Payable:			
December 31:			
2026	\$ -	\$ -	\$ -
2027	95,640,027	-	95,640,027
2028	3,257,845	-	3,257,845
	<u>\$ 98,897,872</u>	<u>\$ -</u>	<u>\$ 98,897,872</u>

In 2024, the Airport issued \$660,440,000 of New Orleans Aviation Board General Airport Revenue Bonds, Series 2024A, 2024B, 2024C-1, 2024C-2 and 2024C-3 with an original issue net premium of \$35,337,423. The purpose of the issue was to finance the refunding and defeasance of the Series 2015A and 2015B Revenue Bonds, pay the Costs of Issuance of the Series 2024 Bonds and fund the Debt Service Reserve Fund Requirement for the Series 2024 Bonds. As a result, that portion of the 2015 Series A and B revenues bonds are considered defeased and the Airport has removed the liability from its accounts. The advance refunding resulted in the recognition of an accounting gain of \$36 million for the year ended December 31, 2024, and the Airport in effect reduced its aggregate debt service payments by almost \$56.4 million over the next 21 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$49.4 million.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 6: LONG-TERM DEBT (CONTINUED)

In 2024, the Airport issued \$125,000,000 of New Orleans Aviation Board General Airport Revenue Draw-Down Bond Anticipation notes, Series 2024 with an initial drawdown of \$49,708,320 in 2024 and an additional drawdown of \$13,857,464 in 2025. The proceeds from this issue will pay the costs of the Series 2024 Project Components in accordance with the Series 2024 Component Funding Plan.

In 2025, the Airport issued \$70,000,000 of New Orleans Aviation Board General Airport Revenue Draw-Down Bond Anticipation notes, Series 2025 with an advanced drawdown of \$61,272,561. The proceeds from this issue will pay for the costs of the North Terminal Project.

In 2025, the Airport issued \$10,000,000 of New Orleans Aviation Board CFC Draw-Down Note, Series 2025 with an initial drawdown of \$3,257,845. The proceeds from this issue will finance a road connecting the North and South terminal campuses and will be funded by the collection of Customer Facility Charges.

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 capital asset and lease liability are recorded in the Airport's statements of net position as of December 31, 2025 and 2024.

The following is an analysis of the equipment at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 907,747	907,747
Less: Accumulated Depreciation	<u>844,544</u>	<u>679,499</u>
	<u>\$ 63,203</u>	<u>228,248</u>

The following is a schedule by years of future minimum payments required under the lease together with the present value as of December 31:

	2026	<u>77,816</u>
Total Minimum Lease Payments		77,816
Less: Amount Representing Interest		<u>(20,031)</u>
Present Value of Minimum Lease Payments	\$	<u><u>57,785</u></u>

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

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, 2025 and 2024 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 Plan 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.

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 Plan 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 2025 and 2024.

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 \$2,507,143 and \$2,337,061 were approximately 18.8% and 17.7% of covered payroll for the years ended December 31, 2025 and 2024, respectively.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

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.
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.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

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.

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 \$18,695,289 and \$21,336,503 is measured as of December 31, 2025 and 2024, respectively. The Total Pension Liability used to calculate the Net Pension Liability was also determined as of that date.

The following schedule lists the Airport's proportionate share of the Net Pension Liability allocated by the pension plan based on the December 31, 2025 and 2024 valuation. The Airport uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2025 and 2024. The schedule also includes the proportionate share allocation rate used at December 31, 2025 and 2024. 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.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

	Net Pension Liability at December 31, 2025	Allocation Rate at December 31, 2025	Increase (Decrease) to December 31, 2024 Rate
Employees' Retirement System of the City of New Orleans	\$18,695,289	7.696091%	0.644278%
	Net Pension Liability at December 31, 2024	Allocation Rate at December 31, 2024	Increase (Decrease) to December 31, 2024 Rate
Employees' Retirement System of the City of New Orleans	\$ 21,336,503	7.051814%	0.104383%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2025 and 2024, the Airport recognized a pension expense of \$1,686,563 and \$1,696,502, respectively in payroll related expense on the statement of revenues, expenses, and changes in net position.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

On December 31, 2025 and 2024, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 350,596	\$ (1,131,534)
Net difference between projected and actual earnings on pension plan investments	-	(2,649,607)
Changes of assumptions	1,737,179	(1,038,590)
Total	<u>\$ 2,087,775</u>	<u>\$ (4,819,731)</u>
	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 696,906	\$ 581,927
Net difference between projected and actual earnings on pension plan investments	182,142	-
Changes of assumptions	351,046	1,559,489
Total	<u>\$ 1,230,094</u>	<u>\$ 2,141,416</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 277,077
2027	(1,665,603)
2028	(712,272)
2029	(631,158)
	<u>\$ (2,731,956)</u>

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2025 and 2024, using the following actuarial assumptions:

	Employees' Retirement System
Valuation date	December 31, 2025 and 2024
Actuary cost method	Entry age normal
Actuarial assumptions:	
Expected remaining service live	4 years
Investment rate of return	7.00%, net of investment expense, including inflation
Inflation rate	2.50%
Mortality	PubG-2010 Healthy Annuitant Table loaded by 15% for both males and females for healthy lives and PubNS-2010 Disabled Retiree for disabled lives, projected generationally with scale MP-2020
Salary increases	Service-based annual rates ranging from 15% to 4%
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.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

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, 2025 and 2024 are summarized in the following table:

Asset Class	2025		2024	
	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%	0.80%	2.00%	1.00%
Equity securities	56.50%	12.46%	56.50%	12.73%
Fixed income	22.00%	2.00%	22.00%	2.05%
Real Estate	5.00%	3.80%	5.00%	3.50%
Other alternative investments	14.50%	12.20%	14.50%	12.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the Employees' Retirement System for 2025 and 2024, respectively. 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 rates and 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.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

The change in net pension liability for the year ended December 31, 2025 is as follows:

Change in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	\$ 1,357,628	\$ -	\$ 1,357,628
Interest on the total pension liability	4,301,695	-	4,301,695
Difference between expected and actual experience	(737,417)	-	(737,417)
Changes of assumptions and other inputs	5,208,362	-	5,208,362
Changes of benefit term	-	-	-
Contributions – employer	-	2,734,027	(2,734,027)
Contributions - member	-	904,074	(904,074)
Net investment income	-	5,860,263	(5,860,263)
Benefit payments and net transfers	(4,240,568)	(4,240,568)	-
Administrative expense	-	(42,837)	42,837
Other changes	-	3,315,955	(3,315,955)
Net Change	5,889,700	8,530,914	(2,641,214)
Net Pension Liability, Beginning	57,007,074	35,670,571	21,336,503
Net Pension Liability, Ending	\$ 62,896,774	\$ 44,202,485	\$ 18,695,289

The change in net pension liability for the year ended December 31, 2024 is as follows:

Change in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	\$ 1,063,382	\$ -	\$ 1,063,382
Interest on the total pension liability	4,160,177	-	4,160,177
Difference between expected and actual experience	(748,253)	-	(748,253)
Changes of assumptions and other inputs	(926,999)	-	(926,999)
Changes of benefit term	-	-	-
Contributions – employer	-	2,364,710	(2,364,710)
Contributions - member	-	780,320	(780,320)
Net investment income	-	3,937,937	(3,937,937)
Benefit payments and net transfers	(3,992,820)	(3,992,820)	-
Administrative expense	-	(54,077)	(54,077)
Other changes	-	550,648	(550,648)
Net Change	(444,513)	3,586,718	(4,031,231)
Net Pension Liability, Beginning	57,451,587	32,083,853	25,367,734
Net Pension Liability, Ending	\$ 57,007,074	\$ 35,670,571	\$ 21,336,503

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

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, 2025 and 2024 using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

		1%		Current		1%
		Decrease		Discount Rate		Increase
Net pension liability						
December 31, 2025	\$	26,212,011	\$	18,695,289	\$	12,441,449
December 31, 2024	\$	28,073,850	\$	21,336,503	\$	15,722,513

Payables to the Plan

The Airport recorded accrued liabilities of \$207,412 and \$254,765 to the Plan for the years ended December 31, 2025 and 2024, 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 City of New Orleans Airport (the Airport) provides certain continuing health care and life insurance benefits for its retired employees. The City of New Orleans's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Airport. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Airport. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

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 one of three primary systems: The Employees' Retirement System of the Airport of New Orleans (NOMERS), the Louisiana State Municipal Police Retirement System (MPRS), and the New Orleans Firefighters' Pension and Relief Fund (NOFF). The maximum DROP period is five years in NOMERS and NOFF and three years in MPRS. Retirement (DROP entry) eligibility is as follows: in NOMERS, 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); in MPRS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Benefits Provided (Continued)

service and eligibility to retire); in NOFF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the NOFF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service to reflect the actual patterns of retirement and DROP entry in that system. For firefighters hired after August 15, 2016, the minimum age for DROP entry/retirement eligibility is the Social Security maximum retirement age less 10 years.

Employees covered by benefit terms

As of the measurement date December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	55
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	204
	259

Total OPEB Liability

The Airport's proportionate share (4.13% and 4.13%) of the total OPEB liability was \$5,619,986 and \$5,895,608, was measured as of December 31, 2025 and 2024, respectively and was determined by an actuarial valuation as of January 1, 2025 and 2024 for the years ended December 31, 2025 and 2024, respectively. 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, 2025 and 2024 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%, annually
Salary increases	4.0%, including inflation
Discount rate	4.83%, annually (As of December 31, 2025)
	4.08%, annually (As of December 31, 2024)
Healthcare cost trend rates	Flat 5.5% annually for 10 years, 4.5% thereafter

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025 and 2024, the end of the applicable measurement period.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions and other inputs (Continued)

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2010 to December 31, 2025. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2024.

Changes in the Total OPEB Liability during 2025 and 2024:

	2025	2024
Balance at December 31, 2025 and 2024	\$ 5,895,608	\$ 6,406,280
Changes for the year:		
Service cost	71,525	90,775
Interest	233,671	221,833
Differences between expected and actual experience	245,326	113,370
Changes in assumptions and other inputs	(489,396)	(584,070)
Benefit payments and net transfers	(336,748)	(352,580)
Net changes	(275,622)	(510,672)
Balance at December 31, 2025 and 2024	\$ 5,619,986	\$ 5,895,608

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:

	1.0% Decrease (3.83%)	Current Discount Rate (4.83%)	1.0% Increase (5.83%)
December 31, 2025			
Total OPEB liability	\$ 6,792,053	\$ 5,619,986	\$ 4,715,302
	1.0% Decrease (3.08%)	Current Discount Rate (4.08%)	1.0% Increase (5.08%)
December 31, 2024			
Total OPEB liability	\$ 7,152,178	\$ 5,895,608	\$ 4,923,602

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability during 2025 and 2024: (Continued)

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:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
December 31, 2025			
Total OPEB liability	\$ 4,829,102	\$ 5,619,986	\$ 6,653,925
December 31, 2024			
Total OPEB liability	\$ 5,034,163	\$ 5,895,608	\$ 7,017,223

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Airport recognized its proportion of OPEB expense as \$266,026. At December 31, 2025, the Airport reported proportion 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	\$ 491,315	\$ (210,737)
Changes in assumptions	692,027	(1,479,880)
Total	\$ 1,183,342	\$ (1,690,617)

For the year ended December 31, 2024, the Airport recognized its proportion of OPEB expense as \$308,305. At December 31, 2024, the Airport reported proportion 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	\$ 456,004	\$ 296,189
Changes in assumptions	936,478	1,387,699
Total	\$ 1,392,482	\$ 1,683,888

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	\$	(246,402)
2027		(225,510)
2028		28,632
2029		(58,377)
2030		(58,377)
Thereafter		52,679
	<u>\$</u>	<u>(507,275)</u>

Note 10: 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 years ended December 31, 2025 and 2024, the Airport recorded depreciation expense in the amount of \$916,713. Revenue is recognized over the course of the agreement. The Airport recorded a rent receivable as of December 31, 2025 and 2024 of \$2,597,783 and \$2,686,730, respectively, for the minimum payments expected to be received over the remaining years of the lease.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 11: 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 years ended December 31, 2025 and 2024, the Federal Aviation Administration (FAA) contributed \$6,711,255 and \$26,334,222, respectively, and the Aviation Trust Fund (ATF) contributed \$228,200 and \$1,435,929, respectively.

Note 12: LEASES

The Airport is the lessor of terminal space, land, hangars, and buildings on Airport property to air carriers and other tenants under various operating leases. Some of the leases, in addition to non-cancellable amounts at fixed rates, provide for additional payments based on usage or activity. For purposes of GASBS No. 87 implementation, the Airport's leases have been classified as:

1. Subject to GASBS No. 87 – Non-Regulated Leases
2. Not Subject to GASBS No. 87 – Short Term Leases and Regulated Leases

Leases Subject to GASBS No. 87

In accordance with GASBS No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases subject to GASBS No. 87. For these leases, the Airport is reporting Lease Receivable of \$63.9 million and \$63.8 million for the fiscal years ended December 31, 2025 and 2024, respectively. The Airport also reported lease revenue of \$10.4 million and \$9.1 million and interest revenue of \$3.0 million and \$2.5 million related to lease payments received for the fiscal years ended December 31, 2025 and 2024, respectively.

The leases managed by the Airport do not have an implicit rate of return, therefore the Airport has used their incremental borrowing rate of 5.56% to discount the lease revenue to the net present value for leases with a start date prior to September 1, 2025. The Airport has used an incremental borrowing rate of 3.71% for leases with an effective date on or after September 1, 2025.

The Leases Subject to GASBS No. 87 are summarized below.

Non-Regulated Leases – Terminal Concessions

The Airport leases concession space throughout the terminal for ATM's, advertising, passenger services, food and beverage, and retail goods. The remaining terms of these leases range from 1 to 10 years. The concession leases include a minimum annual guarantee (MAG) and a variable revenue component based on a percentage of gross sales.

Non-Regulated Leases – Rental Cars

The Airport leases a Consolidated Facility (CONRAC), ground, and service centers to the rental car companies. New leases started during 2024 with the current terms ending on the fifth anniversary of the lease effective date. During the first year of the agreement the tenant is required to pay the initial annual rate of \$1.50 per square foot for the Ground upon which the CONRAC is located and at the initial annual rate of \$1.50 per square foot for the ground upon which the service centers are located.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 12: LEASES (CONTINUED)

Non-Regulated Leases – Building

The Airport leases office or other building space to the Transportation Security Administration and to other parties. These leases include an annual rent amount plus an adjustment based on the consumer price index. The fixed revenue component is based on square footage and the length of the agreements vary.

Future payments included in the measurement of the lease receivable for the General Fund as of December 31, 2025 for each of the next five fiscal years and in five-year increments thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years Ending December 31:			
2026	\$ 10,653,574	\$ 2,860,950	\$ 13,514,524
2027	10,974,799	2,355,436	13,330,235
2028	9,077,054	1,879,195	10,956,249
2029	9,024,497	1,420,014	10,444,511
2030	6,381,211	1,053,730	7,434,941
2031-2039	17,750,459	3,105,771	20,856,734
	<u>\$ 63,861,594</u>	<u>\$ 12,675,096</u>	<u>\$ 76,536,690</u>

Leases Not Subject to GASBS No. 87

Short-Term Leases

In accordance with GASBS No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for a lease that is less than 12 months. This classification also includes leases that have expired, and are in a month-to-month status.

Regulated Leases

In accordance with GASBS No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. The U.S. Department of Transportation and the Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users. The Airport has regulated leases with a number of airlines.

Louis Armstrong New Orleans International Airport
Notes to Financial Statements

Note 12: LEASES (CONTINUED)

The use and lease agreement between the airlines and the Airport includes exclusive, preferential, and joint use of certain spaces at the Airport. The square footage breakdown of the airline leased space is listed below.

	Terminal Space	Terminal Space % of Total	Apron Space	Apron Space % of Total
Air Canada	395.0	0.2%	-	0.0%
Alaska Airlines	5,841.0	3.7%	42,576.0	4.5%
Allegiant Air	188.0	0.1%	-	0.0%
American Airlines	21,313.0	13.4%	162,346.0	17.0%
Avelo Airlines	549.0	0.3%	-	0.0%
BAGS	238.0	0.1%	-	0.0%
Breeze Airways	904.0	0.6%	-	0.0%
British Airways	910.0	0.6%	-	0.0%
Delta Air Lines	36,079.0	22.7%	178,376.0	18.7%
Frontier Airlines	192.0	0.1%	-	0.0%
JetBlue	4,721.0	3.0%	42,576.0	4.5%
New Orleans Airline Consortium (NOACO)	6,306.0	4.0%	-	0.0%
New Orleans Fuel Facilities (NOFF)	377.2	0.2%	-	0.0%
PrimeFlight fka Skytanking	119.7	0.1%	-	0.0%
SITA	14.0	0.0%	-	0.0%
Southwest Airlines	34,415.0	21.6%	289,939.0	30.3%
Spirit Airlines	15,603.0	9.8%	108,980.0	11.4%
United Airlines	30,895.0	19.4%	130,925.0	13.7%
Total	159,059.9	100.0%	955,718.0	100.0%

The Airport recognized \$0.1 million and \$0.4 million of total regulated lease revenues during each of the years ended December 31, 2025 and 2024.

Louis Armstrong New Orleans International Airport

Notes to Financial Statements

Note 12: LEASES (CONTINUED)

The future expected minimum payments related to regulated leases are as follows:

Years Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 137,327	\$ -	\$ 137,327
2027	100,344	-	100,344
2028	73,928	-	73,928
2029	73,928	-	73,928
2030	73,928	-	73,928
2031-2035	104,731	-	104,731
	<u>\$ 564,186</u>	<u>\$ -</u>	<u>\$ 564,186</u>

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.

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 \$1,932,727 and \$1,870,939 for the years ended December 31, 2025 and 2024.

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.

Louis Armstrong New Orleans International Airport
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

<i>For the years ended December 31,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 1,357,628	\$ 1,063,382	\$ 887,422	\$ 847,873	\$ 797,899	\$ 852,247	\$ 891,187	\$ 681,302	\$ 596,916	\$ 630,676
Interest	4,301,695	4,160,177	3,923,362	3,771,819	3,733,581	3,857,085	3,616,732	3,443,875	2,886,080	2,936,801
Change of benefit term	-	-	-	213,900	-	476,822	-	(32,760)	-	-
Differences between expected and actual experience	(737,417)	(748,253)	1,265,964	211,590	1,072,461	917,236	(1,324,570)	1,791,903	869,092	3,048,586
Change of assumptions and other inputs	5,208,362	(926,999)	729,883	(1,420,524)	(3,579,232)	64,379	5,192,940	7,321,948	(3,904,785)	1,260,761
Benefit payments and net transfers	(4,240,568)	(3,992,820)	(3,706,150)	(3,742,580)	(3,669,375)	(4,041,720)	(3,637,041)	(3,745,917)	(3,045,115)	(3,387,558)
Net Change in Total Pension Liability	5,889,700	(444,513)	3,100,481	(117,922)	(1,644,666)	2,126,049	4,739,248	9,460,351	(2,597,812)	4,489,266
Total Pension Liability - Beginning	57,007,074	57,451,587	54,351,106	54,469,028	56,113,694	53,987,645	49,248,397	39,788,046	42,385,858	37,896,592
Total Pension Liability - Ending (a)	\$ 62,896,774	\$ 57,007,074	\$ 57,451,587	\$ 54,351,106	\$ 54,469,028	\$ 56,113,694	\$ 53,987,645	\$ 49,248,397	\$ 39,788,046	\$ 42,385,858
FIDUCIARY NET POSITION										
Contributions - employer	\$ 2,734,027	\$ 2,364,710	\$ 2,126,103	\$ 1,759,432	\$ 1,524,061	\$ 2,452,177	\$ 2,529,718	\$ 2,323,850	\$ 1,716,570	\$ 1,900,122
Contributions - member	904,074	780,320	707,463	599,412	598,977	665,528	681,925	616,889	485,026	518,057
Net investment income	5,860,263	3,937,937	3,617,307	(4,649,276)	4,994,205	4,061,150	4,407,988	(1,166,189)	3,279,405	1,991,080
Benefit payments and net transfers	(4,240,568)	(3,992,820)	(3,706,150)	(3,742,580)	(3,669,375)	(4,041,720)	(3,637,041)	(3,745,917)	(3,045,115)	(3,387,558)
Administrative expense	(42,837)	(54,077)	(50,126)	(42,201)	(39,427)	(23,810)	(28,071)	(18,250)	(21,327)	(11,885)
Transfers into the System	56,969	68,600	58,979	52,398	67,939	19,692	19,757	37,941	-	-
Other	3,258,986	482,048	388,658	(936,271)	(2,209,105)	221,401	(54,425)	4,555,561	(2,266,977)	759,786
Net Change in Fiduciary Net Position	8,530,914	3,586,718	3,142,234	(6,959,086)	1,267,275	3,354,418	3,919,851	2,603,885	147,582	1,769,602
Fiduciary Net Position - Beginning	35,670,571	32,083,853	28,941,619	35,900,705	34,633,430	31,279,012	27,359,161	24,755,276	24,607,694	22,838,092
Fiduciary Net Position - Ending (b)	\$ 44,201,485	\$ 35,670,571	\$ 32,083,853	\$ 28,941,619	\$ 35,900,705	\$ 34,633,430	\$ 31,279,012	\$ 27,359,161	\$ 24,755,276	\$ 24,607,694
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 18,695,289	\$ 21,336,503	\$ 25,367,734	\$ 25,409,487	\$ 18,568,323	\$ 21,480,264	\$ 22,708,633	\$ 21,889,236	\$ 15,032,770	\$ 17,778,164
Fiduciary net position as a percentage of the total pension liability	70.28%	62.57%	55.85%	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%
Covered payroll	\$ 13,194,473	\$ 13,194,473	\$ 10,292,452	\$ 10,185,859	\$ 10,019,135	\$ 10,208,620	\$ 11,164,015	\$ 9,614,821	\$ 7,632,578	\$ 8,037,960
Net pension liability as a percentage of covered payroll	141.69%	161.71%	246.47%	249.46%	185.33%	210.41%	203.41%	227.66%	196.96%	221.18%

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:

Allocation Percentage to the Airport (component unit)	7.6960914%	7.0518140%	6.9474310%	6.8553700%	7.038942%	7.518513%	7.465669%	7.480550%	6.317905%	6.959001%
Discount Rate		7.00%		7.25% PubG-2010, Disabled-PubNS- 2010						
Mortality Tables										
Mortality Projection Scale		MP-2021	MP-2020	MP-2018						
Salary Increases		15%-4%		10%-3.2%						

Louis Armstrong New Orleans International Airport
Schedule of Employer Contributions to Defined Benefit Plan
Last 10 Years

December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,176,043	\$ 2,090,024	\$ 1,873,685	\$ 1,676,158	\$ 2,529,718	\$ -	\$ -	\$ 2,095,713	\$ 1,716,570	\$ 1,900,122
Contributions in related to the contractually required contributions	<u>2,507,143</u>	<u>2,337,061</u>	<u>1,934,535</u>	<u>1,857,843</u>	<u>1,636,885</u>	<u>2,522,932</u>	<u>2,569,097</u>	<u>2,249,395</u>	<u>1,761,937</u>	<u>1,666,973</u>
Contribution deficiency (excess)	<u>\$ (331,100)</u>	<u>\$ (247,037)</u>	<u>\$ (60,850)</u>	<u>\$ (181,685)</u>	<u>\$ 892,833</u>	<u>\$ (2,522,932)</u>	<u>\$ (2,569,097)</u>	<u>\$ (153,682)</u>	<u>\$ (45,367)</u>	<u>\$ 233,149</u>
Covered payroll	\$ 13,363,071	\$ 13,194,473	\$ 10,292,452	\$ 10,156,066	\$ 11,164,015	\$ 9,614,821	\$ 7,632,578	\$ 8,037,960	\$ -	\$ -
Contributions as a percentage of covered payroll	18.76%	17.71%	18.80%	18.29%	14.66%	26.24%	33.66%	27.98%	#DIV/0!	#DIV/0!

NOTES TO SCHEDULE

Allocation Percentage to the Airport (component unit)	7.696091%	7.051814%	6.947431%	6.855370%	7.038942%	7.518513%	7.465669%	7.480550%	6.317905%	6.959001%
Methods and assumptions used to determine contribution rates:										
Valuation date:	January 1, 2025									
Actuarial cost method	Entry Age Actuarial Cost Method									
Amortization method	Level percent of pay with layered bases									
Remaining amortization period.	20 years									
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.									
Investment rate of return	7.00%, net of pension plan investment expense, including inflation									
Inflation	2.50%									
Salary increases	Service-based annual rates raning from 15% to 4%									

Louis Armstrong New Orleans International Airport
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Years*

<i>December 31,</i>	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 71,525	\$ 90,775	\$ 83,682	\$ 109,610	\$ 142,695	\$ 131,766	\$ 80,941	\$ 91,236
Interest	233,671	221,833	215,576	148,796	164,500	179,669	222,214	212,949
Current Year Amortization	-	-	-	-	-	-	43,774	-
Differences between expected and actual experience	245,326	113,370	196,297	(248,219)	(180,580)	669,003	203,246	(209,788)
Changes of assumptions or other inputs	(489,396)	(584,070)	325,507	(1,276,615)	136,395	559,055	996,934	(466,422)
Benefit payments	(336,748)	(352,580)	(419,658)	(454,027)	(431,839)	(405,160)	(414,293)	(382,674)
Net change in total OPEB liability	(275,622)	(510,672)	401,404	(1,720,455)	(168,829)	1,134,333	1,132,816	\$ (754,699)
Total OPEB liability - beginning	5,895,608	6,406,280	6,004,876	7,725,331	7,894,160	6,759,827	5,627,011	6,381,710
Total OPEB liability - ending	\$ 5,619,986	\$ 5,895,608	\$ 6,406,280	\$ 6,004,876	\$ 7,725,331	\$ 7,894,160	\$ 6,759,827	\$ 5,627,011
Covered payroll	\$ 14,801,668	\$ 14,801,668	\$ 11,631,514	\$ 11,184,148	\$ 10,596,026	\$ 10,084,787	\$ 9,982,277	\$ 9,614,757
Total OPEB liability as a percentage of covered payroll	37.97%	39.83%	55.08%	53.69%	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.

- Changes of Assumptions or other inputs:

Discount Rate:	4.83%	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%
Mortality:						RP-2000	RP-2000	RP-2000
Trend:						4.5% to 5.5%	5.5%	5.5%

Louis Armstrong New Orleans International Airport

Supplemental Schedule of Investments

Year ended December 31, 2025

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	\$ 1,386,928	1,386,928
JPM U.S. Treasury Plus Investments The Bank of New York Mellon	2009	N/A	804,331	804,331
			<u>2,191,259</u>	<u>2,191,259</u>
City of New Orleans:				
LAMP - Sales Tax/General Purpose	2003	N/A	54,891,194	54,891,194
LAMP - Revolving			617	617
LAMP - Use & Lease General Purpose	2011	N/A	9	9
			<u>54,891,820</u>	<u>54,891,820</u>
New Orleans Aviation Board:				
Whitney Custody Account			<u>14,418,202</u>	<u>14,418,202</u>
Total unrestricted investments			<u>71,501,282</u>	<u>71,501,282</u>
Restricted investments:				
City of New Orleans:				
LAMP - Rollover Coverage	2009	N/A	<u>16,839,258</u>	<u>16,839,258</u>
CIF-Parking Facility Loan:				
JPM U.S. Treasury Prime Investments: The Bank of New York Mellon	2010	N/A	<u>1,339,337</u>	<u>1,339,337</u>
Debt Service Fund:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2008	N/A	25,577,623	25,577,623
Debt Service Reserve Fund:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	86,470,610	86,470,610
Capitalized Interest:				
Dreyfus Treasury Prime Cash Management: The Bank of New York Mellon	2015	N/A	<u>6</u>	<u>6</u>

(Continued)

**Louis Armstrong New Orleans International Airport
Supplemental Schedule of Investments**

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	<u>14,933,438</u>	<u>14,933,438</u>
Receipts Fund: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	<u>7,854,697</u>	<u>7,854,697</u>
CFC Restricted: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2010	N/A	<u>24,793,217</u>	<u>24,793,217</u>
Time Reimbursement: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	<u>1,373,742</u>	<u>1,373,742</u>
Project Account: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	<u>716,698</u>	<u>716,698</u>
PFC Restricted: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	2008	<u>76,958,881</u>	<u>76,958,881</u>
GARB Restricted: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2015	N/A	<u>12,798,522</u>	<u>12,798,522</u>
Vendor Payment: Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2015	N/A	<u>51,136</u>	<u>51,136</u>
Total restricted investments			<u>269,707,125</u>	<u>269,707,164</u>
Total all investments			<u>\$ 341,208,407</u>	<u>\$ 341,208,446</u>

(Concluded)

Louis Armstrong New Orleans International Airport
Supplemental Schedule of Operating Revenues and Expenses by Area of Activity

<i>Year ended December 31,</i>	<i>2025</i>			
	Airfield	Terminal buildings	Ground transportation	Total
Operating revenues	\$ 18,300,739	\$ 118,279,195	\$ 5,311,322	\$ 141,891,256
Direct expenses	<u>6,191,559</u>	<u>25,316,462</u>	<u>5,736,970</u>	<u>37,244,991</u>
Operating revenues, less direct expenses	12,109,180	92,962,733	(425,648)	104,646,265
Depreciation of cost center assets	<u>19,139,226</u>	<u>48,342,909</u>	<u>979,974</u>	<u>68,462,109</u>
Operating revenues, less direct expenses and depreciation	<u>\$ (7,030,046)</u>	<u>\$ 44,619,824</u>	<u>\$ (1,405,622)</u>	<u>36,184,155</u>
Other operating expenses:				
Depreciation of non-cost center assets				1,452,487
Administrative				<u>46,258,316</u>
Total other operating expenses				<u>47,710,803</u>
Operating (loss)			\$	<u><u>(11,526,648)</u></u>

**Louis Armstrong New Orleans International Airport
Supplemental Schedule of Historical Debt Service Coverage Ratio
as Required Under the General Revenue Bond Trust Indenture
Dated February 1, 2009**

Year ended December 31,

2025

Revenues:		
Airline rentals and landing fees	\$	75,267,770
Other operating revenues		66,623,487
Nonoperating revenues		8,753,066
Transferred PFCs		21,762,000
Federal funding		0
Rollover coverage		<u>16,839,258</u>
Total revenues		189,245,581
Less expenses:		
Operation and maintenance expenses		<u>83,503,307</u>
Net revenues	\$	<u><u>105,742,274</u></u>
Debt service fund requirement:		
Principal payments	\$	21,220,000
Interest expense		<u>50,796,192</u>
Total debt service fund requirement	\$	<u><u>72,016,192</u></u>
Historical debt service coverage ratio		<u><u>1.47</u></u>

(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.

Louis Armstrong New Orleans International Airport
Schedule of Compensation, Benefits, and Other Payments to the Director of Aviation

Year ended December 31, *2025*
Kevin Dolliole, Director of Aviation

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 360,491
Benefits- medical	9,025
Benefits-Medicare, Social Security, Workman's Compensation	16,136
Benefits-insurance contribution	88
Travel*	23,025
Conference registration fees*	2,495
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.

Independent Auditor's 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, 2025, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated June 29, 2026.

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.

**LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2026

**LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

We have audited the basic financial statements of Louis Armstrong New Orleans International Airport as of and for the year ended December 31, 2025. 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 audit of the financial statements as of December 31, 2025 resulted in an unmodified opinion.

Section I: Summary of Auditor's Report

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses	No
Significant Deficiencies	None noted

Compliance:

NonCompliance Material to Financial Statements	No
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b. Federal Awards

Federal Awards are audited as part of the City of New Orleans Single Audit.

SECTION II – DEFICIENCIES IDENTIFIED DURING THE AUDIT

None noted.

SECTION III – COMPLIANCE AND OTHER MATTERS

None noted.

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the New Orleans Aviation Board and the
City Council of the City of New Orleans
New Orleans, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Louis Armstrong New Orleans International Airport (the Airport) management is responsible for those C/C areas identified in the SAUPs.

The Airport has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the Airport’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Airport’s operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of applying the above procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were found as a result of applying the above procedure.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were found as a result of applying the above procedure.

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No exceptions were found as a result of applying the above procedure.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were found as a result of applying the above procedure.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: No exceptions were found as a result of applying the above procedure.

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were found as a result of applying the above procedure.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: No exceptions were found as a result of applying the above procedure.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Airport's ethics policy.

Results: No exceptions were found as a result of applying the above procedure.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: No exceptions were found as a result of applying the above procedure.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were found as a result of applying the above procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the above procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were found as a result of applying the above procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

Results: No exceptions were found as a result of applying the above procedure.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: Not applicable as the Airport is a proprietary fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Not applicable as there were no prior year findings.

3) Bank Reconciliations

- A. Obtain a listing of the Airport bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Airport's main operating account. Select the Airport's main operating account and randomly select 4 additional accounts (or all accounts if less than 5).

Results: No exceptions were found as a result of applying the above procedure.

Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Results: No exceptions were found as a result of applying the above procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Results: No exceptions were found as a result of applying the above procedure.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the above procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions were found as a result of applying the above procedure.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Results: No exceptions were found as a result of applying the above procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the above procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the above procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were found as a result of applying the above procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the above procedure.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions were found as a result of applying the above procedure.

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Results: No exceptions were found as a result of applying the above procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

Results: No exceptions were found as a result of applying the above procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Results: No exceptions were found as a result of applying the above procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Results: No exceptions were found as a result of applying the above procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the above procedure.

C. For each location selected under procedure #5A above, obtain the Airport's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Airport, and

Results: No exceptions were found as a result of applying the above procedure

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

- D. Using the Airport's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Airport's policy, and (b) approved by the required number of authorized signers per the Airport's policy.

Results: No exceptions were found as a result of applying the above procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of applying the above procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the above procedure.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: No exceptions were found as a result of applying the above procedure.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Results: No exceptions were found as a result of applying the above procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the above procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Results: No exceptions were found as a result of applying the above procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the above procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of applying the above procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Airport's cumulative leave records; and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Airport's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to Airport policy.

Results: No exceptions were found as a result of applying the above procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the above procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether the Airport maintains documentation which demonstrates that each employee and official were notified of any changes to the Airport's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the above procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: No exceptions were found as a result of applying the above procedure.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of applying the above procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Airport reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Airport is domiciled as required by R.S. 24:523.

Results: Not applicable as there were no instances of misappropriations during the year.

- B. Observe that the Airport has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the above procedure.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- A. Obtain and inspect the Airport's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Results: We performed the procedure and discussed the results with management.

- B. Obtain and inspect the Airport's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- C. Obtain a listing of the Airport's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were found as a result of applying the above procedure.

- B. Observe that the Airport has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Airport's premises if the Airport does not have a website).

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain the Airport's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Results: No exceptions were found as a result of applying the above procedure.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Number of sexual harassment complaints received by the agency;
Results: No exceptions were found as a result of applying the above procedure.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Results: No exceptions were found as a result of applying the above procedure.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Results: No exceptions were found as a result of applying the above procedure.
- v. Amount of time it took to resolve each complaint.
Results: No exceptions were found as a result of applying the above procedure.

We were engaged by the Airport to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2026