



**Independent Auditors' Report on Compliance with  
Requirements Applicable to the Passenger Facility Charge  
Program, on Internal Control over Compliance, and on the  
Schedule of Revenues and Expenditures of Passenger Facility Charges**

New Orleans Aviation Board and the  
City Council of the City of New Orleans, Louisiana:

*Compliance*

We have audited the compliance of Louis Armstrong International Airport (the Airport), a component unit of the City of New Orleans, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (The Guide), issued by the Federal Aviation Administration, for its passenger facility charge program for the year ended December 31, 2008. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the Airport's management. Our responsibility is to express an opinion on the Airport's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Airport's compliance with those requirements.

In our opinion, the Airport complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year December 31, 2008.

*Internal Control over Compliance*

The management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Airport's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with the Guide on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the passenger facility charge program such that there is more than a remote inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with the compliance of the Guide will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose describes in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

*Schedule of Revenues and Expenditures of Passenger Facility Charges*

We have audited the basic financial statements of the Airport as of and for the year ended December 31, 2008 and have issued our report thereon dated June 29, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for the purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the New Orleans Aviation Board, the Airport's management, the City Council of the City of New Orleans, Louisiana, the Louisiana Legislative Auditor, and the Federal Aviation Administration, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & McHerrell*

Metairie, Louisiana  
June 29, 2009



**LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT**  
 Schedule of Revenues and Expenditures of Passenger Facility Charges  
 Year ended December 31, 2008

Revenues:	Program Total December 31, 2007	2008				Program Total December 31, 2008
		Quarter 1 January - March	Quarter 2 April - June	Quarter 3 July - September	Quarter 4 October - December	
Collections	\$ 197,964,867	\$ 4,189,374	\$ 4,659,567	\$ 4,067,446	\$ 16,557,391	\$ 214,522,258
Interest	13,699,947	242,722	141,609	136,103	583,834	14,283,781
<b>Total Revenues</b>	<b>211,664,814</b>	<b>4,432,096</b>	<b>4,801,176</b>	<b>4,203,549</b>	<b>17,141,225</b>	<b>228,806,039</b>
Expenditures:						
<b>Application 02-05:</b>						
Project 1 - ARFF Perimeter Road, Stage I (1)	1,559,274	654	238	14,961	183	1,375,310
Project 2 - North General Aviation Apron, Stage I	5,618,106	1,403	511	32,042	392	34,348
Project 3 - Airfield Lighting Control System (1)	376,299	272	99	6,208	76	6,655
Project 4 - Rehabilitate Runways and Taxiways (1)	2,491,434	(113)	90	5,662	69	2,497,142
Project 5 - Update Airfield Guidance Sign System (1)	101,077	47	17	1,074	13	102,228
Project 8 - East Air Cargo Apron, Stage I	2,248,389	696	254	15,828	195	2,265,962
Project 9 - Fire Code Compliance Program	4,066,256	1,884	723	45,343	555	4,116,861
Project 10 - Asbestos Removal Program	3,412,081	1,692	580	36,369	445	3,451,067
Project 11 - West Terminal Utilities Expansion (1)	6,798,265	3,300	1,201	75,357	922	6,879,045
Project 12 - Concourse D Reconstruction (1)	16,246,305	9,451	3,146	197,390	2,416	16,458,708
Project 13 - West Terminal Expansion (1)	21,611,849	9,482	3,618	227,042	2,779	21,854,780
Project 14 - ARFF Perimeter Road, Stage II (1)	656,947	-	-	-	-	656,947
Project 15 - ARFF Perimeter Road, Stage III (1)	896,580	-	-	-	-	896,580
Project 18 - East/West Taxiway (VPR Runway) (1)	5,391,699	1,560	568	35,649	436	5,429,912
Project 20 - North GA Access Road	1,121,006	547	198	12,439	152	1,134,342
Project 22 - East Air Cargo Access Roads	2,186,372	928	337	21,164	259	2,209,060
Project 23 - Terminal Improvements	4,908,680	-	-	-	-	4,908,680
Project 25 - Upper Level Roadway Canopy	5,351,871	-	-	-	-	5,351,871
<b>Total Application - 02-05</b>	<b>85,047,080</b>	<b>31,813</b>	<b>11,580</b>	<b>726,628</b>	<b>8,892</b>	<b>85,825,993</b>
<b>Application 02-06</b>						
Project 26 - Aircraft Loading Bridges	2,711,389	(2,821)	35,843	486,274	205,453	3,446,138
Project 27 - Aircraft Lighting Control Vault Alternative Power Source (2)	586,086	-	-	-	-	586,086
Project 29 - Airport Trench Drains (2)	1,886,917	-	-	-	-	1,886,917
Project 31 - Concourse C Reconstruction (2)	23,689,436	-	-	-	-	23,689,436
Project 32 - Environmental Impact Study for New Air Carrier Runway (2)	756,632	-	-	-	-	756,632
Project 33 - Expansion of Concourse D (2)	3,837,262	-	-	-	-	3,837,262
Project 35 - New Aircraft Rescue and Fire Fighting (ARFF) Station (2)	370,914	53,403	11,221	11,022	127,363	503,415
Project 36 - Rehabilitate Runway 1/19 (2)	4,247,324	-	-	-	-	4,247,324
Project 37 - Rehabilitate Taxiway Sierra (2)	1,405,541	-	-	-	-	1,405,541
Project 38 - Rehabilitate Runway 10/28 (2)	7,654,804	(11,794)	27,479	1,724,336	21,101	9,415,926
Project 39 - Rehabilitate Retaining Beacon (2)	348,560	-	-	-	-	348,560
Project 40 - South Lafon Airport Land Purchase	5,062,117	-	-	-	-	5,062,117
Project 41 - Terminal Apron Rehabilitation (2)	997,235	-	-	6,841	(97,235)	1,278,665
Project 42 - Terminal HVAC Rehabilitation	1,278,665	-	-	-	(1,004,176)	274,489
Project 43 - West Air Cargo Complex Land Acquisition Program	1,050,244	-	-	-	-	1,050,244
<b>Total Application - 02-06</b>	<b>55,885,126</b>	<b>38,788</b>	<b>74,543</b>	<b>2,238,573</b>	<b>(593,404)</b>	<b>57,643,626</b>

(Continued)

**LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT**  
 Schedule of Revenues and Expenditures of Passenger Facility Charges  
 Year ended December 31, 2008

	Program Total December 31, 2007	Quarter 1 January - March 2008	Quarter 2 April - June 2008	Quarter 3 July - September 2008	Quarter 4 October - December 2008	Quarters 1-4 January - December 2008	Program Total December 31, 2008
<b>Application 04-07</b>							
Project 44 - Airport Interior Signage	\$ 1,298,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,298,209
Project 46 - Concourse C Clockpoint Expansion	1,230,667	-	-	-	-	-	1,230,667
Project 47 - Concourse Connector Taxiway - Taxiway Uniform	4,651,018	-	-	-	-	-	4,651,018
Project 48 - Construct Connector Taxiway - Runway End 19	1,067,802	-	-	-	-	-	1,067,802
Project 49 - Exterior Terminal Renovations - Lower Roadway	4,995,000	-	-	-	-	-	4,995,000
Project 50 - FIS Facility	8,083,512	-	-	-	-	-	8,083,512
Project 51 - Gate Utilization Study	455,662	-	-	-	-	-	455,662
Project 52 - Terminal HVAC Rehabilitation - Phase II	2,101,018	-	-	-	-	-	2,101,018
Project 53 - Terminal Pedestrian Access Enhancements	1,381,705	-	-	-	-	-	1,381,705
Project 54 - TSA - Related Terminal Modification and Airline Relocations	5,918,809	-	-	-	-	-	5,918,809
Project 55 - Airport Master Plan	986,440	265,663	65,662	35,501	2,873	104,656	1,090,956
Project 57 - Part 1542 Security System	4,073,622	(23,076)	246,416	486,969	185,119	1,184,167	5,257,789
Project 58 - Replace/Repair High Mast Lighting	1,462,327	-	40,367	96,015	45,052	188,358	1,620,685
Project 59 - Residential Sound Insulation Program/Land Acquisition	-	-	-	-	-	-	-
Project 60 - Terminal Apron Expansion	1,449,000	-	-	-	-	-	1,449,000
Project 61 - Terminal HVAC Rehabilitation - Phase III	2,521,494	301,210	187,370	507,472	1,657,806	2,653,858	5,175,352
Project 62 - Terminal Interior and Exterior Improvements	-	-	-	-	-	-	-
Project 63 - Transportation Center Expansion	-	-	-	-	-	-	-
<b>Total Application - 04-07</b>	<b>41,676,285</b>	<b>543,797</b>	<b>539,835</b>	<b>1,125,957</b>	<b>1,890,850</b>	<b>4,100,439</b>	<b>45,776,724</b>
<b>Application 06-08</b>							
Project 66 - Noise Level Mapping Study	1,184	-	-	(1,184)	742,165	740,981	742,165
Project 67 - Acquire 3,000 Gallon ARFF Vehicle	1,184	-	-	(1,184)	742,165	740,981	742,165
<b>Total Application - 06-08</b>	<b>2,368</b>	<b>-</b>	<b>-</b>	<b>(2,368)</b>	<b>1,484,330</b>	<b>1,481,962</b>	<b>1,484,330</b>
<b>Total Expenditures</b>	<b>182,609,675</b>	<b>614,398</b>	<b>625,958</b>	<b>4,089,974</b>	<b>2,048,503</b>	<b>7,378,833</b>	<b>189,988,508</b>
<b>PFC revenues in excess of (under) expenditures</b>	<b>\$ 29,055,159</b>	<b>\$ 3,817,698</b>	<b>\$ 4,175,218</b>	<b>\$ 113,375</b>	<b>\$ 1,655,901</b>	<b>\$ 9,762,392</b>	<b>\$ 38,817,531</b>

See accompanying notes to schedule of revenues and expenditures of passenger facility charges.

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### Note to Schedule of Revenues and Expenditures of Passenger Facility Charges

Year ended December 31, 2008

#### (1) Schedule of Revenues and Expenditures of Passenger Facility Charges

The accompanying Schedule of Revenues and Expenditures of Passenger Facility Charges (PFC) presents the revenues received from the PFC's and expenditures incurred on approval projects. The Schedule has been prepared on the cash basis of accounting under which revenues are recognized when received and expenses are recognized when paid.

PFC's collected represent cash collected through the end of the month subsequent to the quarter-end as reported to the Federal Aviation Administration (FAA) in accordance with 14 CFR Part 158. The interest earned represents the actual interest collected and accrued on the unexpended PFC's during the periods reported.

The approved collection level for the 10 projects denoted by (1) was increased by the FAA from \$3.00 per enplaned passenger to \$4.50 per enplaned passenger, effective April 1, 2002 upon the Airport's submission of Application 02-05 in order to amend the collection level for projects within the PFC program. The collection level for the projects within Application 02-05 remained at \$3.00 per enplaned passenger.

The approved collection level for the 11 projects denoted by (2) was increased by the FAA to \$4.50 enplaned passenger; Effective April 1, 2002, upon the Airport's 02-06. The collection level for the other projects was approved by the FAA at \$3.00 per enplaned passenger, effective April 1, 2002.

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Schedule of Findings and Questioned Costs

Year ended December 31, 2008

*None.*

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Schedule of Prior Year Findings and Questioned Costs

Year ended December 31, 2008

*None.*