



MEMORANDUM

TO: Airport Advisory Commissioners

FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department

DATE: July 12, 2023

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

May 2023 Financial Results

Total passenger traffic totaled 1,981,813 in May 2023, a decrease of 2.0% compared to May 2022. May 2022 passenger traffic was elevated because of pent up travel demand resulting from loosening pandemic travel restrictions. Despite the slight decrease compared to May 2022, passenger traffic remains strong and increased 28.4% compared to May 2019. Additionally, average daily departures have increased from 261 in May 2022 to 269 in May 2023, an increase of 8 daily departures or 3.1%.

Table #1	FY 2023 May	FY 2022 May	Variance Fav (Unfav)	FY 2023 YTD	FY 2022 YTD	YTD Variance Fav (Unfav)
Enplanements	1,013,953	1,031,873	(1.7%)	7,179,925	6,384,174	12.5%
Landing Weights	1,205,890,302	1,150,661,179	4.8%	8,952,126,481	8,110,850,673	10.4%
Cargo Tonnage	11,992	13,149	(8.8%)	99,427	102,324	(2.8%)
Operating Revenue	\$23,956,126	\$22,812,535	\$1,143,590	\$178,979,293	\$156,771,957	\$22,207,336
Airport OPEX	\$9,327,751	\$7,770,850	(\$1,556,901)	\$76,877,985	\$63,023,268	(\$13,854,717)
Total Requirements	\$15,513,032	\$13,271,671	(\$2,241,361)	\$124,437,148	\$105,900,484	(\$18,536,664)
Net Income Before Federal Relief	\$8,443,094	\$9,540,865	(\$1,097,771)	\$54,542,144	\$50,871,473	\$3,670,671
Federal Relief Reimbursement	\$2,394,363	\$1,768,171	\$626,193	\$35,040,097	\$31,590,139	\$3,449,958
Net Income After Federal Relief	\$10,837,458	\$11,309,036	(\$471,578)	\$89,582,241	\$82,461,612	\$7,120,629

Table #1 illustrates May 2023's enplanements totaled 1,013,953, 1.7% lower than May 2022, serving 17,920 fewer enplaned passengers. Landing weights totaled 1.2 billion pounds in May 2023 representing an increase of 4.8% compared to May 2022. Cargo volume totaled 11,992 tons in May 2023 representing a decrease of 8.8% compared to May 2022. The decline in cargo volume is the result of year over year declines in tonnage carried from major cargo carriers.

Monthly operating revenues increased 5.0% or \$1.1M compared to May 2022. Totalling \$24.0M, May 2023 operating revenue is composed of 41.0% airline revenue, 56.6% non-airline revenue, and 2.4% interest income.

Airport operating expenses totaled \$9.3M for the month, an increase of 20.0% or \$1.6M compared to May 2022. The increased operating expenses are the result of higher personnel costs resulting increased headcount and annual pay adjustments (4% across the board pay increase and increase in the living wage to \$20 per hour), and increased contractual costs including parking services and consulting contracts. AUS reported an \$8.4M surplus (before federal relief funding) in May 2023 compared to a surplus of \$9.5M in May 2022.

Fiscal Year 2023 Financial Results

Through the eighth month of Fiscal Year 2023 (FY2023), AUS delivered strong financial performance when compared to the same period in Fiscal Year 2022 (FY2022). FY2023 Year to Date (YTD) Operating Revenue totals \$179.0M compared to \$156.8M in FY2022, a 14.2% increase. Airport Operating Expenses totaled \$76.9M YTD in FY2023 compared to \$63.0M in FY2022, a 22.0% increase. Net income before federal relief funding totals \$54.5M YTD in FY2023 compared to \$50.9M in FY2022, an increase of 7.2% or \$3.7M.

Table #2	FY 2023	FY 2023	FY 2023	Budget vs. YTD	Budget vs. YTD	CYE vs. YTD	CYE vs. YTD
	Approved Budget - Seasonalized	CYE - Seasonalized	YTD	Variance \$ Fav (Unfav)	Variance % Fav (Unfav)	Variance \$ Fav (Unfav)	Variance \$ Fav (Unfav)
Operating Revenue	\$151,949,877	\$174,220,914	\$178,979,293	\$27,029,415	17.8%	\$4,758,379	2.7%
Airport OPEX	\$84,919,591	\$79,303,041	\$76,877,985	\$8,041,606	9.5%	\$2,425,056	3.1%
Total Requirements	\$132,584,069	\$126,862,204	\$124,437,148	\$8,146,920	6.1%	\$2,425,056	1.9%
Net Income Before Debt Service	\$56,180,627	\$84,173,528	\$91,356,963	\$35,176,336	62.6%	\$7,183,435	8.5%
Net Income Before Federal Relief	\$19,365,809	\$47,358,709	\$54,542,144	\$35,176,336	181.6%	\$7,183,435	15.2%
Federal Relief Reimbursement	\$20,000,000	\$33,106,143	\$35,040,097	\$15,040,097	75.2%	\$1,933,954	5.8%
Net Income After Federal Relief	\$39,365,809	\$80,464,853	\$89,582,241	\$50,216,433	127.6%	\$9,117,389	11.3%

Through May 2023, AUS delivered favorable YTD financial performance compared to FY2023 budget and current year estimate (CYE) on a seasonalized basis due to increased revenue and operating expense savings. As presented in Table #2, FY2023 revenues exceed budgeted revenues by 17.8% or \$27.0M and exceed CYE by 2.7% or \$4.8M. Airport operating expenses are 9.5% or \$8.0M below budgeted expenses and 3.1% or \$2.4M below CYE due primarily to higher than budgeted personnel vacancy rates. Before federal relief funding application, AUS reports net income of \$54.5M, which exceeds the seasonalized budget estimate by \$35.2M and seasonalized CYE by \$7.2M.

Attachments: May 2023 - AAC Financial Report