



MEMORANDUM

TO: Airport Advisory Commissioners
 FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department
 DATE: August 9, 2023
 SUBJECT: Austin-Bergstrom International Airport (AUS) Update

June 2023 Financial Results

Total passenger traffic totaled 2,009,373 in June 2023, an increase of 1.2% compared to June 2022. Average daily departures have increased from 261 in June 2022 to 271 in June 2023, an increase of 10 daily departures or 3.8%. June 2023 was the 2nd busiest month in AUS history in terms of total passenger traffic and only the 3rd month on record to exceed two million total passengers.

Table #1	FY 2023 June	FY 2022 June	Variance Fav (Unfav)	FY 2023 YTD	FY 2022 YTD	YTD Variance Fav (Unfav)
Enplanements	1,020,650	1,009,025	1.2%	8,200,575	7,393,199	10.9%
Landing Weights	1,180,434,931	1,113,085,341	6.1%	10,132,561,412	9,223,936,014	9.9%
Cargo Tonnage	10,885	13,057	(16.6%)	110,312	115,381	(4.4%)
Operating Revenue	\$24,948,074	\$23,340,998	\$1,607,077	\$203,927,367	\$180,112,954	\$23,814,413
Airport OPEX	\$11,586,932	\$8,366,926	(\$3,220,005)	\$88,464,917	\$71,390,194	(\$17,074,723)
Total Requirements	\$18,048,116	\$13,878,607	(\$4,169,509)	\$142,485,264	\$119,779,091	(\$22,706,173)
Net Income Before Federal Relief	\$6,899,959	\$9,462,391	(\$2,562,432)	\$61,442,103	\$60,333,863	\$1,108,240
Federal Relief Reimbursement	\$2,185,937	\$1,834,492	\$351,445	\$37,226,034	\$33,424,631	\$3,801,403
Net Income After Federal Relief	\$9,085,896	\$11,296,882	(\$2,210,987)	\$98,668,137	\$93,758,495	\$4,909,642

Table #1 illustrates June 2023’s enplanements totaled 1,020,650, 1.2% higher than June 2022, serving 11,625 more enplaned passengers. Landing weights totaled 1.2 billion pounds in June 2023 representing an increase of 6.1% compared to June 2022. Cargo volume totaled 10,885 tons in June 2023 representing a decrease of 16.6% compared to June 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 6.9% or \$1.6M compared to June 2022. Totalling \$24.9M, June 2023 operating revenue is composed of 40.8% airline revenue, 56.7% non-airline revenue, and 2.5% interest income.

Airport operating expenses totaled \$11.6M for the month, an increase of 38.5% or \$3.2M compared to June 2022. The increased operating expenses are the result of higher personnel costs resulting from 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. Additionally, as of June 1st AUS took over day-to-day management and maintenance of the baggage handling system previously managed by an airline

consortium, resulting in additional startup and recurring monthly costs in June 2023. Costs associated with the management and maintenance of the baggage handling system were not budgeted in FY2023; however, funding is available through the end of the fiscal year from expense savings in other programs. These costs are included in the FY2024 proposed budget. AUS reported a \$6.9M surplus (before federal relief funding) in June 2023 compared to a surplus of \$9.5M in June 2022.

Fiscal Year 2023 Financial Results

Through the ninth 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 \$203.9M compared to \$180.1M in FY2022, a 13.2% increase. Airport Operating Expenses totaled \$88.5M YTD in FY2023 compared to \$71.4M in FY2022, a 23.9% increase. Net income before federal relief funding totals \$61.4M YTD in FY2023 compared to \$60.3M in FY2022, an increase of 1.8% or \$1.1M.

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	\$172,762,690	\$196,570,446	\$203,927,367	\$31,164,677	18.0%	\$7,356,921	3.7%
Airport OPEX	\$96,172,078	\$90,308,030	\$88,464,917	\$7,707,161	8.0%	\$1,843,113	2.0%
Total Requirements	\$150,310,904	\$144,328,377	\$142,485,264	\$7,825,640	5.2%	\$1,843,113	1.3%
Net Income Before Debt Service	\$64,384,745	\$94,175,028	\$103,375,062	\$38,990,317	60.6%	\$9,200,034	9.8%
Net Income Before Federal Relief	\$22,451,786	\$52,242,069	\$61,442,103	\$38,990,317	173.7%	\$9,200,034	17.6%
Federal Relief Reimbursement	\$22,500,000	\$34,732,594	\$37,226,034	\$14,726,034	65.4%	\$2,493,440	7.2%
Net Income After Federal Relief	\$44,951,786	\$86,974,663	\$98,668,137	\$53,716,351	119.5%	\$11,693,474	13.4%

Through June 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 18.0% or \$31.2M and exceed CYE by 3.7% or \$7.4M. Airport operating expenses are 8.0% or \$7.7M below budgeted expenses and 2.0% or \$1.8M below CYE due primarily to higher than budgeted personnel vacancy rates. Before federal relief funding application, AUS reports net income of \$61.4M, which exceeds the seasonalized budget estimate by \$39.0M and seasonalized CYE by \$9.2M.

Attachments: June 2023 - AAC Financial Report