



MEMORANDUM

TO: Airport Advisory Commissioners
 FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department
 DATE: October 11, 2023
 SUBJECT: Austin-Bergstrom International Airport (AUS) Update

August 2023 Financial Results

Passenger traffic totaled 1,776,883 in August 2023, a decrease of 0.6% compared to August 2022. Average daily departures have increased from 260 in August 2022 to 274 in August 2023, an increase of 14 daily departures or 5.4%.

Table #1	FY 2023 August	FY 2022 August	Variance Fav (Unfav)	FY 2023 YTD	FY 2022 YTD	YTD Variance Fav (Unfav)
Enplanements	869,746	871,814	(0.2%)	10,081,089	9,249,945	9.0%
Landing Weights	1,213,351,964	1,150,498,127	5.5%	12,562,686,887	11,523,503,675	9.0%
Cargo Tonnage	11,629	13,649	(14.8%)	131,869	141,713	(6.9%)
Operating Revenue	\$24,112,134	\$21,772,524	\$2,339,610	\$253,488,569	\$225,074,407	\$28,414,163
Airport OPEX	\$10,878,363	\$9,513,373	(\$1,364,990)	\$110,323,845	\$89,492,717	(\$20,831,128)
Total Requirements	\$17,215,562	\$15,025,054	(\$2,190,509)	\$177,142,669	\$148,904,975	(\$28,237,694)
Net Income Before Federal Relief	\$6,896,572	\$6,747,471	\$149,101	\$76,345,900	\$76,169,431	\$176,469
Federal Relief Reimbursement	\$438,572	\$912,032	(\$473,459)	\$39,611,948	\$36,003,156	\$3,608,793
Net Income After Federal Relief	\$7,335,144	\$7,659,502	(\$324,358)	\$115,957,849	\$112,172,587	\$3,785,262

Table #1 illustrates August 2023’s enplanements totaled 869,746, 0.2% lower than August 2022. Landing weights totaled 1.2 billion pounds in August 2023 representing an increase of 5.5% compared to August 2022. Cargo volume totaled 11,629 tons in August 2023 representing a decrease of 14.8% compared to August 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 10.7% or \$2.3M compared to August 2022. Totaling \$24.1M, August 2023 operating revenue is composed of 42.1% airline revenue, 54.7% non-airline revenue, and 3.2% interest income.

Airport operating expenses totaled \$10.9M for the month, an increase of 14.3% or \$1.4M compared to August 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, consulting contracts, and the baggage handling system maintenance contract. AUS reported a \$6.9M surplus (before federal relief funding) in August 2023 compared to a surplus of \$6.7M in August 2022.

Fiscal Year 2023 Financial Results

Through the eleventh 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 \$253.5M compared to \$225.1M in FY2022, a 12.6% increase. Airport Operating Expenses totaled \$110.3M YTD in FY2023 compared to \$89.5M in FY2022, a 23.3% increase. Net income before federal relief funding totals \$76.3M YTD in FY2023, which aligns with \$76.2M net income before federal relief funding in FY2022.

Table #2	FY 2023 Approved Budget - Seasonalized	FY 2023 CYE - Seasonalized	FY 2023 YTD	Budget vs. YTD Variance \$ Fav (Unfav)	Budget vs. YTD Variance % Fav (Unfav)	CYE vs. YTD Variance \$ Fav (Unfav)	CYE vs. YTD Variance \$ Fav (Unfav)
Operating Revenue	\$215,440,750	\$242,253,486	\$253,488,569	\$38,047,819	17.7%	\$11,235,083	4.6%
Airport OPEX	\$118,742,020	\$112,318,264	\$110,323,845	\$8,418,175	7.1%	\$1,994,419	1.8%
Total Requirements	\$185,829,684	\$179,261,120	\$177,142,669	\$8,687,015	4.7%	\$2,118,451	1.2%
Net Income Before Debt Service	\$81,780,449	\$115,161,748	\$128,391,251	\$46,610,801	57.0%	\$13,229,502	11.5%
Net Income Before Federal Relief	\$29,611,067	\$62,992,366	\$76,345,900	\$46,734,833	157.8%	\$13,353,534	21.2%
Federal Relief Reimbursement	\$27,500,000	\$37,985,496	\$39,611,948	\$12,111,948	44.0%	\$1,626,452	4.3%
Net Income After Federal Relief	\$57,111,067	\$100,977,862	\$115,957,849	\$58,846,782	103.0%	\$14,979,986	14.8%

Through August 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 17.7% or \$38.0M and exceed CYE by 4.6% or \$11.2M. Airport operating expenses are 7.1% or \$8.4M below budgeted expenses and 1.8% or \$2.0M below CYE due primarily to higher than budgeted personnel vacancy rates. Before federal relief funding application, AUS reports net income of \$76.3M, which exceeds the seasonalized budget estimate by \$46.7M and seasonalized CYE by \$13.4M.

Attachments: August 2023 - AAC Financial Report