

PIEDMONT TRIAD AIRPORT AUTHORITY

FISCAL YEAR 2018 PROPOSED BUDGET

FISCAL YEAR 2017 REVISED BUDGET

PIEDMONT TRIAD AIRPORT AUTHORITY
FISCAL YEARS 2018 PROPOSED AND 2017 REVISED OPERATING
AND CAPITAL BUDGET REPORTS

2018 PROPOSED BUDGET HIGHLIGHTS

Revenues

- Fiscal Year (FY) 2018 enplanements are projected to increase by 6.6% compared to FY 2017 Adopted Budget.
- Terminal revenue is expected to decrease by 6.1% from the Adopted FY2017 Budget mainly due to airline incentive for new service.
- Consumer services revenues are expected to remain relatively flat at a 1.3% increase in food, beverage, gift concessions and the rental car commission area.
- Parking revenues are projected to increase 1.8% a result of an increase in enplaned passengers.
- Apron rent is expected to increase 5.7% with increased rates.
- Landing fees are expected to increase approximately 12.0% with additional landed weights and increased rates.
- Cargo Area revenue is projected to decrease 3.9% with termination of the Dynamic Airways lease in cargo building three.
- Fixed Based Operations are expected to remain the same.
- Hangar revenues are expected to remain relatively flat.
- Land and Facilities revenue is projected to increase 6.3% with land rate increases for a full calendar year.
- Other income is expected to increase 18.2%, a result of new commercial property rentals.
- Valet Parking services revenue is expected to decrease in FY 2018 from FY 2017 Adopted Budget.
- Interest Income is expected to increase approximately 99.9% with additional funds for investing and higher yield rates.
- Passenger Facility Charge revenues are estimated to increase 6.4% a result of increased passengers.
- Customer Facility Charges implemented in January, 2017 will be for restricted purposes only.

Expenses

The FY 2018 expense budget is estimated to increase about 4.7% over the FY 2017 Adopted Budget. This increase in part is due to: personnel costs related to market analysis study, two additional net positions for FY 2018, and annual raises; operating expenses in areas of office expenses, maintenance contract labor, repairs and maintenance purchased and parts; general insurance expense for authority; and decreases in professional services offered an offset to a portion of these expenses.

Operating Results

All operating revenue received by the Authority is derived from rentals and fees for the use of airport facilities and services. Any revenue earned that exceeds annual operating and debt service is reinvested in airport facilities. Total revenue for FY 2018 Proposed Budget is estimated to be \$33,126,211; \$26,421,889 is operating revenue with non-

operating revenue of \$6,704,322; non-operating revenue consists of federal grants, interest on investments, passenger facility charges, and customer facility charges. Expenditures for operations around \$15,767,687 with debt service requirements of around \$6,275,475 leaving an estimated \$11,083,049 available for future capital replacements.

	FY 2018 PROPOSED BUDGET	FY 2017 ADOPTED BUDGET	FY 2018 OVER(UNDER) 17 ADOPTED	% INCREASE (DECREASE)	FY 2017 REVISED BUDGET
REVENUES:					
OPERATING REVENUE	\$ 26,421,889	\$ 25,808,807	\$ 613,082	2.38%	\$ 25,906,340
PASSENGER FACILITY CHARGES	3,639,727	3,419,517	220,210	6.44%	3,491,117
CUSTOMER FACILITY CHARGES	2,306,205	-	2,306,205		1,143,625
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.00%	270,500
INTEREST INCOME	487,890	244,058	243,832	99.91%	390,690
TOTAL REVENUES	\$ 33,126,211	\$ 29,742,882	\$ 3,383,329	11.38%	\$ 31,202,272
EXPENDITURES:					
OPERATING EXPENSES	\$ 15,767,687	15,056,638	\$ 711,049	4.72%	\$ 14,945,445
DEBT SERVICE REQUIREMENTS	6,275,475	5,800,410	475,065	8.19%	6,041,234
FUTURE CAPITAL REPLACEMENTS	11,083,049	8,885,834	2,197,215	24.73%	10,215,593
TOTAL EXPENDITURES	\$ 33,126,211	\$ 29,742,882	\$ 3,383,329	11.38%	\$ 31,202,272

Enplanements	891,500	836,000	55,500	6.6%	855,100
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2017 REVISED BUDGET HIGHLIGHTS

Revenues

- FY 2017 Revised enplanements are expected to increase approximately 2.2% from the FY 2017 Adopted Budget.
- Terminal revenues are anticipated to show a slight decrease over FY2017 Adopted Budget with lower rates proposed in new agreement.
- Consumer services revenue is estimated to be very close to the FY 2017 Adopted Budget.
- Parking revenues are expected to decrease .7% from the FY2017 Adopted Budget.
- Apron Area revenue is expected to remain at the FY2017 Adopted Budget level.
- Landing fees affected by increased aircraft landed weight and rates is expected to increase 9.4%.
- Cargo Area rental revenue will see a decrease of 1.2% due to Dynamic Airways lease termination.
- Hangar revenue will stay as expected with the FY 2017 Adopted Budget.
- Other income is projected to increase 2.0% a result of new commercial property rentals, insurance credit, and Duke Energy incentive.
- Valet Parking/Service Center revenue shows a decrease of 5.9%.
- Passenger Facility Charge revenues are anticipated to increase 2.0% due to an increase in passengers.
- Customer Facility Charges imposed starting January 1, 2017, not in Adopted FY 2017 budget, are expected to contribute \$1,143,625 in non-operating revenues.

Expenses

Operating expenses are projected to decrease of .7% from the FY 2017 Adopted Budget at \$14,945,445.

Operating Results

Total revenues for FY 2017 Revised Budget are expected to be about \$31,202,272 with operating revenues of \$25,906,342 and non-operating revenues of \$5,295,932. Expenditures for operations around \$14,945,445 with debt service requirements of around \$6,041,234 leaving an estimated \$10,215,593 available for future capital replacements.

	FY 2017 REVISED BUDGET	FY2017 ADOPTED BUDGET	INCREASE (DECREASE)	% INCREASE (DECREASE)
REVENUES:				
OPERATING REVENUE	\$ 25,906,340	\$ 25,808,807	\$ 97,533	0.38%
PASSENGER FACILITY CHARGES	3,491,117	3,419,517	71,600	2.09%
CUSTOMER FACILITY CHARGES(CFC)	1,143,625	-	1,143,625	0.00%
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.00%
INTEREST INCOME	390,690	244,058	146,632	60.08%
TOTAL REVENUES	\$ 31,202,272	\$ 29,742,882	\$ 1,459,390	4.91%
EXPENDITURES:				
OPERATING EXPENSES	\$ 14,945,445	\$ 15,056,638	(111,193)	-0.74%
DEBT SERVICE REQUIREMENTS	6,041,234	5,800,410	240,824	4.15%
FUTURE CAPITAL REPLACEMENTS	10,215,593	8,885,834	1,329,759	14.96%
TOTAL EXPENDITURES	\$ 31,202,272	\$ 29,742,882	\$ 1,459,390	4.91%
Enplanements	855,100	836,000	19,100	2.2%

2018 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The proposed FY 2018 capital program budget of \$ 50,410,117 (including federal, state grants-in-aid and other local funds) includes the following projects and brings the total capital program budget to \$ 147,260,117.

- \$ 4,050,000 Land Acquisition
- \$ 20,000,000 AIP Projects(1)
- \$ 24,533,932 Major Capital Projects(2)
- \$ 1,826,185 Furniture, Fixtures and Equipment

Projects that are federal or state aid eligible will be initiated only as grant-in-aid funds are approved.

	Budgeted Project Costs Through Fiscal Year 2018	Previously Budgeted
(1) AIP Projects	\$ 91,350,000	\$ 71,350,000
Noise Mitigation		
FIS Facility		
ATC Tower		
R/W 5R-23L Rehab/SMGCS Update		
Taxiway OverI-73		
AGIS Systems		
Airfield Lighting Vault		
(2) Major Capital Projects	\$ 50,033,932	\$ 25,500,000
Relocate ASR-9		
Project Radar		
Parking Deck/Roadway Repairs		
West Site Development		
Temporary Hangar		
Old Terminal Apron		
Parking Renovations/Upgrades		
Land Improvements		
Terminal Building Improvements		

PIEDMONT TRIAD AIRPORT AUTHORITY
 PROPOSED BUDGET
 FISCAL YEAR 2018

	FY 2018 PROPOSED BUDGET	FY 2017 ADOPTED BUDGET	FY 2018 OVER(UNDER) 17 ADOPTED	% INCREASE (DECREASE)	FY 2017 REVISED BUDGET
REVENUES:					
OPERATING REVENUE	\$ 26,421,889	\$ 25,808,807	\$ 613,082	2.38%	\$ 25,906,340
PASSENGER FACILITY CHARGES	3,639,727	3,419,517	220,210	6.44%	3,491,117
CUSTOMER FACILITY CHARGES	2,306,205	-	2,306,205	N/A	1,143,625
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.00%	270,500
INTEREST INCOME	487,890	244,058	243,832	99.91%	390,690
TOTAL REVENUES	<u>\$ 33,126,211</u>	<u>\$ 29,742,882</u>	<u>\$ 3,383,329</u>	<u>11.38%</u>	<u>\$ 31,202,272</u>
EXPENDITURES:					
OPERATING EXPENSES	\$ 15,767,687	\$ 15,056,638	\$ 711,049	4.72%	\$ 14,945,445
DEBT SERVICE REQUIREMENTS	6,275,475	5,800,410	475,065	8.19%	6,041,234
FUTURE CAPITAL REPLACEMENTS	11,083,049	8,885,834	2,197,215	24.73%	10,215,593
TOTAL EXPENDITURES	<u>\$ 33,126,211</u>	<u>\$ 29,742,882</u>	<u>\$ 3,383,329</u>	<u>11.38%</u>	<u>\$ 31,202,272</u>

PIEDMONT TRIAD AIRPORT AUTHORITY
125% RATE COVENANT
FISCAL YEAR 2018

	FY 2018 PROPOSED BUDGET	FY 2017 ADOPTED BUDGET	FY 2017 REVISED BUDGET
TOTAL OPERATING REVENUE	\$ 26,421,889	\$ 25,808,807	\$ 25,906,340
PASSENGER FACILITY CHARGES	3,639,727	3,419,517	3,491,117
RESTRICTED INCOME	270,500	270,500	270,500
INTEREST INCOME	487,890	244,058	390,690
TOTAL REVENUE	\$ 30,820,006	\$ 29,742,882	\$ 30,058,647
OPERATING EXPENSE	15,767,687	15,056,638	14,945,445
INCOME AVAILABLE FOR DEBT SERVICE	\$ 15,052,319	\$ 14,686,244	\$ 15,113,202
DEBT SERVICE REQUIREMENTS:			
INTEREST PAYMENT	1,737,475	1,356,410	1,597,234
PRINCIPAL PAYMENT	4,538,000	4,444,000	4,444,000
TOTAL	\$ 6,275,475 125%	\$ 5,800,410 125%	\$ 6,041,234 125%
RATE COVENANT REQUIREMENT @ 125%	\$ 7,844,344	\$ 7,250,513	\$ 7,551,543
INCOME AVAILABLE FOR DEBT SERVICE REQUIREMENT	\$ 15,052,319 (7,844,344)	\$ 14,686,244 (7,250,513)	\$ 15,113,202 (7,551,543)
EXCESS OVER 125%	\$ 7,207,975	\$ 7,435,731	\$ 7,561,659
RATE COVERAGE % PROJECTED	240%	253%	250%

PIEDMONT TRIAD AIRPORT AUTHORITY
CAPITAL PROJECTS SUMMARY
FISCAL YEAR 2018

DESCRIPTION	PREVIOUS BUDGETED AMOUNT	FY 2018 BUDGETED AMOUNT	TOTAL BUDGET	TOTAL EXPENDITURES THROUGH 6/30/17	BALANCE
LAND	\$ -	\$ 4,050,000	\$ 4,050,000	\$ -	\$ 4,050,000
AIP PROJECTS					
Less: FEDERAL AID	\$ 71,350,000	\$ 20,000,000	\$ 91,350,000	\$ 14,007,849	\$ 77,342,151
Less: STATE AID	(52,970,000)	(18,000,000)	(70,970,000)	(12,406,228)	(58,563,772)
AUTHORITY FUNDS	(16,000,000)	-	(16,000,000)	(225,662)	(15,774,338)
	\$ 2,380,000	\$ 2,000,000	\$ 4,380,000	\$ 1,375,959	\$ 3,004,041
MAJOR CAPITAL PROJECTS					
Less: STATE AID	\$ 25,500,000	\$ 24,533,932	\$ 50,033,932	\$ 7,250,438	\$ 42,783,494
Less: OTHER LOCAL FUNDS	(12,500,000)	(9,458,932)	(21,958,932)	(422,000)	(21,536,932)
AUTHORITY FUNDS	(3,000,000)	-	(3,000,000)	-	(3,000,000)
	\$ 10,000,000	\$ 15,075,000	\$ 25,075,000	\$ 6,828,438	\$ 18,246,562
FURNITURE, FIXTURES and EQUIPMENT					
Less: FEDERAL AID	\$ -	\$ 1,826,185	\$ 1,826,185	\$ -	\$ 1,826,185
AUTHORITY FUNDS	(482,657)	(482,657)	(482,657)	-	(482,657)
	\$ -	\$ 1,343,529	\$ 1,343,529	\$ -	\$ 1,343,529
TOTAL					
Less: FEDERAL AID	\$ 96,850,000	\$ 50,410,117	\$ 147,260,117	\$ 21,258,287	\$ 126,001,830
Less: STATE AID	(52,970,000)	(18,482,657)	(71,452,657)	(12,406,228)	(59,046,428)
Less: OTHER LOCAL FUNDS	(28,500,000)	(9,458,932)	(37,958,932)	(647,662)	(37,311,270)
AUTHORITY FUNDS	(3,000,000)	-	(3,000,000)	-	(3,000,000)
	\$ 12,380,000	\$ 22,468,529	\$ 34,848,529	\$ 8,204,397	\$ 26,644,132

PIEDMONT TRIAD AIRPORT AUTHORITY
 REVISED BUDGET
 FISCAL YEAR 2017

	<u>FY 2017 REVISED BUDGET</u>	<u>FY 2017 ADOPTED BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>% INCREASE (DECREASE)</u>
REVENUES:				
OPERATING REVENUE	\$ 25,906,340	\$ 25,808,807	\$ 97,533	0.38%
PASSENGER FACILITY CHARGES	3,491,117	3,419,517	71,600	2.09%
CUSTOMER FACILITY CHARGES	1,143,625	-	1,143,625	N/A
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.00%
INTEREST INCOME	<u>390,690</u>	<u>244,058</u>	<u>146,632</u>	<u>60.08%</u>
TOTAL REVENUES	<u>\$ 31,202,272</u>	<u>\$ 29,742,882</u>	<u>\$ 1,459,390</u>	<u>4.91%</u>
EXPENDITURES:				
OPERATING EXPENSES	\$ 14,945,445	\$ 15,056,638	(111,193)	-0.74%
DEBT SERVICE REQUIREMENTS	6,041,234	5,800,410	240,824	4.15%
FUTURE CAPITAL REPLACEMENTS	<u>10,215,593</u>	<u>8,885,834</u>	<u>1,329,759</u>	<u>14.96%</u>
TOTAL EXPENDITURES	<u>\$ 31,202,272</u>	<u>\$ 29,742,882</u>	<u>\$ 1,459,390</u>	<u>4.91%</u>

PIEDMONT TRIAD AIRPORT AUTHORITY
125% RATE COVENANT
FISCAL YEAR 2017

	FY 2017 REVISED BUDGET	FY 2017 ADOPTED BUDGET
TOTAL OPERATING REVENUE	\$ 25,906,340	\$ 25,808,807
PASSENGER FACILITY CHARGES	3,491,117	3,419,517
RESTRICTED INCOME	270,500	270,500
INTEREST INCOME	390,690	244,058
TOTAL REVENUE	\$ 30,058,647	\$ 29,742,882
OPERATING EXPENSE	14,945,445	15,056,638
INCOME AVAILABLE FOR DEBT SERVICE	<u>\$ 15,113,202</u>	<u>\$ 14,686,244</u>
DEBT SERVICE REQUIREMENTS:		
INTEREST PAYMENTS	1,597,234	1,356,410
PRINCIPAL PAYMENTS	4,444,000	4,444,000
DEBT SERVICE REQUIREMENTS	<u>\$6,041,234</u> 125%	<u>\$5,800,410</u> 125%
RATE COVENANT REQUIREMENT @ 125%	<u>\$7,551,543</u>	<u>\$7,250,513</u>
INCOME AVAILABLE FOR DEBT SERVICE REQUIREMENT	<u>\$15,113,202</u> <u>(7,551,543)</u>	<u>\$14,686,244</u> <u>(7,250,513)</u>
EXCESS OVER 125%	<u>\$7,561,659</u>	<u>\$7,435,731</u>
RATE COVERAGE % PROJECTED	<u>250%</u>	<u>253%</u>

PIEDMONT TRIAD AIRPORT AUTHORITY
CAPITAL PROJECTS SUMMARY
FISCAL YEAR 2017

DESCRIPTION	BUDGETED AMOUNT	TOTAL EXPENDITURES THROUGH 6/30/16	EXPENDITURES FOR THE YEAR ENDED 6/30/17	TOTAL EXPENDITURES THROUGH 6/30/17	BUDGET VARIANCE & CANCELLED PROJECTS	BALANCE
LAND	\$ 4,050,000	\$ -	\$ 2,770,500	\$ 2,770,500	\$ 1,279,500	\$ -
AIP PROJECTS						
Less: FEDERAL AID	\$ 71,350,000	\$ 2,256,664	\$ 11,751,185	\$ 14,007,849	\$ -	\$ 57,342,151
Less: STATE AID	(52,970,000)	(1,834,312)	(10,571,917)	(12,406,228)	-	(40,563,772)
Less: OTHER LOCAL FUNDS	(16,000,000)	(220,662)	(5,000)	(225,662)	-	(15,774,338)
AUTHORITY FUNDS	\$ 2,380,000	\$ 201,690	\$ 1,174,269	\$ 1,375,959	\$ -	\$ 1,004,041
MAJOR CAPITAL PROJECTS						
Less: STATE AID	\$ 39,130,000	\$ 6,048,800	\$ 12,573,266	\$ 18,622,066	\$ 2,258,372	\$ 18,249,562
Less: OTHER LOCAL FUNDS	(16,500,000)	(422,000)	(4,000,000)	(4,422,000)	-	(12,078,000)
Less: AUTHORITY FUNDS	(9,500,000)	(1,988,055)	(4,679,572)	(6,667,627)	167,627	(3,000,000)
	\$ 13,130,000	\$ 3,638,745	\$ 3,893,694	\$ 7,532,439	\$ 2,425,999	\$ 3,171,562
FURNITURE, FIXTURES and EQUIPMENT						
Less: FEDERAL AID	\$ 1,964,350	\$ -	\$ 622,118	\$ 622,118	\$ 1,342,232	\$ -
Less: STATE AID	(472,500)	-	-	-	(472,500)	-
Less: OTHER LOCAL FUNDS	\$ 1,491,850	\$ -	\$ 622,118	\$ 622,118	\$ 869,732	\$ -
	\$ 116,494,350	\$ 8,305,464	\$ 27,717,069	\$ 36,022,533	\$ 4,880,104	\$ 75,591,713
AUTHORITY FUNDS	(53,442,500)	(1,834,312)	(10,571,917)	(12,406,228)	(472,500)	(40,563,772)
	(32,500,000)	(642,662)	(4,005,000)	(4,647,662)	-	(27,852,338)
	(9,500,000)	(1,988,055)	(4,679,572)	(6,667,627)	167,627	(3,000,000)
	\$ 21,051,850	\$ 3,840,435	\$ 8,460,581	\$ 12,301,016	\$ 4,575,231	\$ 4,175,603