



TIME FLIES



**LOUISVILLE
REGIONAL AIRPORT AUTHORITY**

2003 ANNUAL REPORT





TIME FLIES.

THERE'S NO DOUBT ABOUT IT. TIME CERTAINLY DOES FLY. It seems like only yesterday we were preparing for another busy year at Louisville International Airport and Bowman Field.

Now that year has passed and it's time to present you our FY 2003 Annual Report. We also take time to say "good-bye" to Jim DeLong, our general manager and good friend who recently retired after 33 years in the airport industry.

Jim's contributions since joining us five years ago have been numerous. During his tenure, he updated the airport's Noise Compatibility Study as well as the airports' master plans, launched a major terminal renovation campaign (which is still under way), spearheaded the attraction of Republic Airlines, planned for a 225-room airport hotel, and played an essential role in making Louisville International Airport a national model and testing site for the latest aviation technologies. We thank him for his leadership, and we wish him the best.

This past year has seen several additional improvements and forward movement at the airport, such as a new fire station, and a major expansion of the UPS facilities. We hope that you find this annual report informative, and we look forward to another great year in the life of Louisville International Airport.

J. Michael Brown,
Chairman

FY 2003 BOARD MEMBERS

From left:

J. Michael Brown,
Chairman

J.D. Nichols,
Vice Chairman

Carol Behr

Jerry Abramson,
Mayor, Metro Louisville

Milo D. Bryant

Jack Dulworth

Cissy Musselman

Phil Lynch

Mary Rose Evans

Ray McDonald

Sam Rechter



**TIME FLIES
WHEN YOU'RE REACHING NEW HEIGHTS.**

PASSENGER SERVICE.

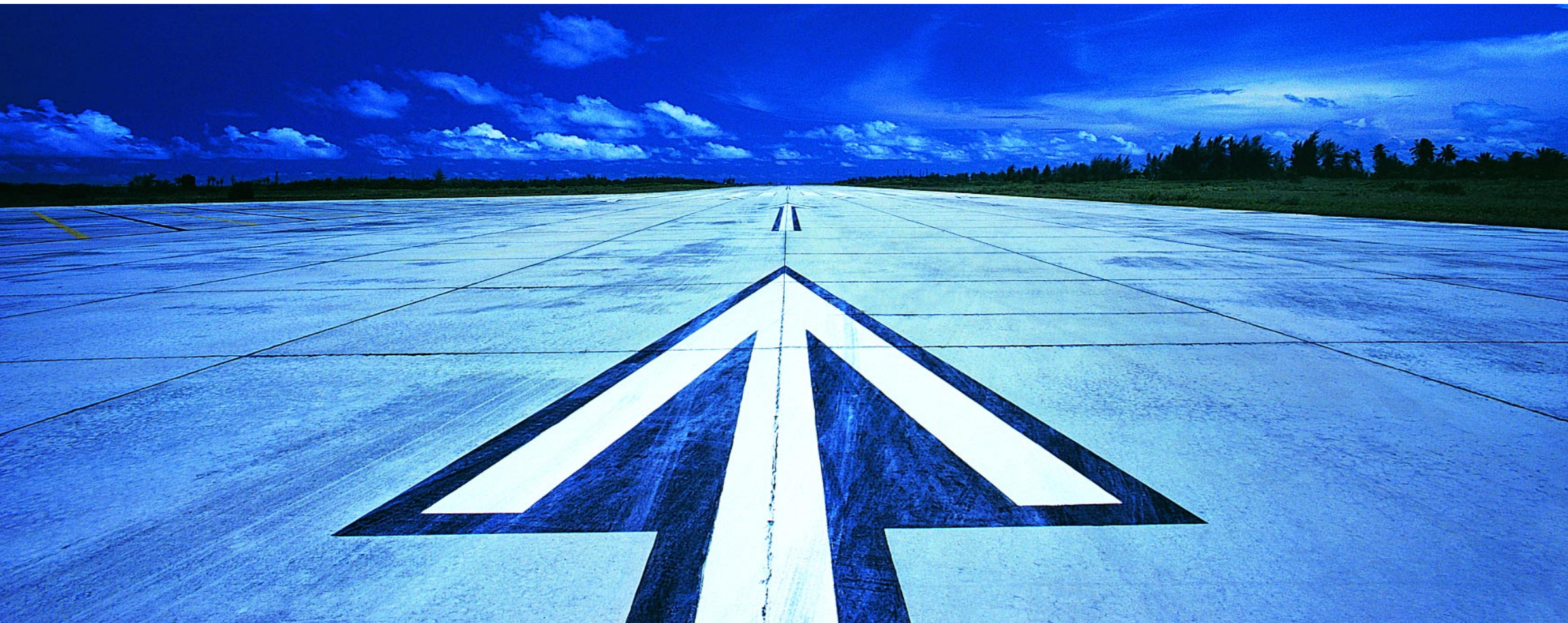
In FY 2003, Louisville International Airport had nearly 3.4 million passengers – with non-stop or direct service to 46 destinations in 26 states, plus the District of Columbia, Canada and Mexico.

- Republic Airlines, a US Airways Express carrier, announced plans to locate its administrative offices, crew base and primary aircraft maintenance facility at Louisville International Airport, bringing over 300 well-paying jobs and 20 regional jets in scheduled service by July, 2004 – with 10 of those in service by the end of 2003.

- Also in FY 2003, regional jet service experienced an increase with additional services to Houston, Charlotte, Chicago, Pittsburgh, Washington, New York (LaGuardia) and Dallas-Fort Worth.

TOTAL PASSENGERS

FY 99	3,708,803
FY 00	3,914,988
FY 01	3,955,825
FY 02	3,521,170
FY 03	3,399,012





TIME FLIES WHEN YOU'RE BUILDING ON SUCCESS.

CAPITAL IMPROVEMENTS.

Louisville International Airport: A comprehensive terminal renovation began in late December 2002 with the refurbishing of several restrooms. A second phase of the terminal renovation started during the summer that will include new regional jet gates as well as renovated ceilings, floors, light fixtures and wall surfaces.

- In FY 2003, the Airport Authority Board selected Wyndham International to operate a new hotel at Louisville International Airport. The hotel is slated to open in late 2005 or early 2006.
- The Authority conducted a public hearing for a west runway extension.
- Taxiway LIMA was reconstructed.

Bowman Field: At Bowman Field, FY 2003 saw the installation of new airfield lighting and signage, the construction of new T-Hangars, a new roof for the Central American hangar, as well as new windows and new air conditioning.

- Reconstruction of runway 6/24 was completed.
- The terminal building entryway was made compliant with the standards of the Americans with Disabilities Act.

Master Plan: At its June 2003 meeting, the Board adopted an updated 20-year Airport Master Plan, as recommended by PB Aviation, the Authority's Master Plan consultants.

- The newly adopted plan recommends expansion and enhancements in areas such as ticketing, parking, rental car dropoff, concourse expansion and roadways.
- The updated Master Plan was submitted to the FAA for approval, as was the Part 150 Noise Compatibility Plan, which complies with the FAA's noise study regulations and was approved by the Airport Authority Board in November 2002.

TIME FLIES WHEN YOU'RE PROTECTING THE PUBLIC.

SECURITY AND SAFETY ENHANCEMENTS.

Airport security in the U.S. is at its highest level in history, and Louisville International Airport assumed a leadership role when it became one of the first airports in the nation to be federalized. The airport also has taken numerous other measures to increase the level of safety and security for passengers.

- A fourth security checkpoint lane was added to improve processing time, and a fifth lane is planned.
- The Transportation Security Administration assumed 100 percent operation of passenger and baggage screening at Louisville International, replacing private employees with federal employees to upgrade safety and procedures.
- Two bomb-sniffing dogs, on-call 24 hours a day, were added.
- The airport's new state-of-the-art fire station was completed. The new, centrally-located station is a full-service firehouse, training facility and "home," all in one.
- Five Automated External Defibrillators were donated to the airport by Jewish Hospital's Heart and Lung Center, Medtronic and the American Heart Association in order to save people in cardiac arrest. The airport has provided extensive training for its staff.



**TIME FLIES
WHEN YOU'RE SHIPPING WORLDWIDE.**

CARGO NEWS.

Louisville's total cargo/freight/mail volume for FY 2003 was 3.44 billion pounds as of June 30, 2003 – making Louisville the fifth largest air cargo airport in the U.S.

- In September 2002, UPS announced completion of the \$1.1 billion expansion of its global all-points air hub at Louisville International Airport. The newly named UPS WorldportSM makes Louisville the centerpiece of the company's global distribution network. The new facility more than doubles the size of the sorting complex and allows UPS to sort an average of 304,000 packages per hour.

TOTAL CARGO POUNDS

FY 99	3,083,047,239
FY 00	3,300,954,265
FY 01	3,342,056,675
FY 02	3,238,472,184
FY 03	3,438,313,170





TIME FLIES WHEN YOU'RE LEADING THE WAY.

TECHNOLOGY UPDATES.

As detailed in last year's annual report, Louisville International Airport has become a model for aviation safety, security and efficiency – the very first national model test site at which multiple next-generation technologies will be tested in a comprehensive and integrated approach.

- In FY 2003, that testing is in full swing, covering a wide range of new technologies:
 - Common Arts – a system that combines data, graphics and images from multiple existing and new technologies into a single, high resolution color display.
 - Moving Map Display – an in-cockpit or in-vehicle device that shows pilots or drivers their vehicles' positions on the airfield, as well as that of other vehicles nearby.
 - Multi-Lateration – a series of ground-based receivers that use "triangulation" to locate and identify where all appropriately equipped aircraft and vehicles are on the airfield, including areas where conventional radar could not "view."
- Also in FY 2003, U.S. Congresswoman Anne Northup secured \$850,000 to support continued testing of the Continuous Descent Approach – an innovative noise-reducing flight procedure that was first tested at Louisville International Airport.



**TIME FLIES
WHEN YOU'RE HELPING NEIGHBORS.**

RELOCATION.

Louisville International received \$6.6 million in federal funds in FY 2003 for use in the airport's Voluntary Residential Relocation Program. The money enabled the airport to make new home purchase offers to an additional 50 to 60 families in the relocation neighborhoods.

- Also, Congresswoman Anne Northup secured an additional \$7.3 million grant from the FAA for the Voluntary Relocation Program – and continues to seek more funds.

OFFERS MADE TO HOMEOWNERS IN THE LAST 5 FISCAL YEARS

FY 99	271 Offers (All Traditional *)
FY 00	194 Offers (93 Trad. - 101 HC)
FY 01	236 Offers (140 Trad. - 96 HC)
FY 02	265 Offers (168 Trad. - 97 HC)
FY 03	111 Offers (60 Trad. - 51 HC)

* Heritage Creek (HC) offers did not begin until August 1999.

**TIME FLIES
WHEN YOU'RE CRUNCHING NUMBERS.**

LOUISVILLE REGIONAL AIRPORT AUTHORITY STATEMENT OF NET ASSETS
June 30, 2003 and 2002

	2003	2002		2003	2002
ASSETS			LIABILITIES		
Current assets (unrestricted)			Current liabilities (payable from unrestricted current assets)		
Cash and cash equivalents	\$ 14,271,690	\$ 4,017,342	Accounts payable	\$ 776,760	\$ 670,526
Investments	100,000	5,100,000	Accrued expenses and other	738,833	686,784
Fees and rentals receivable	3,510,148	4,302,527	Deferred income	226,389	1,478,186
Supplies and prepaid expenses	679,105	675,724	Total current liabilities	<u>1,741,982</u>	<u>2,835,496</u>
Total current assets	<u>18,560,943</u>	<u>14,095,593</u>	Current liabilities (payable from unrestricted assets)		
Restricted assets			Current portion of bonds payable	18,195,000	17,595,000
Cash - PFC fund	872,195	1,001,198	Accounts payable	2,862,632	3,792,967
Cash and cash equivalents	73,222,513	28,281,497	Accrued interest	5,676,717	1,854,050
Investments, at amortized cost			Revolving Coverage	4,300,000	6,300,000
plus accrued interest	30,536,233	64,298,971	Total current liabilities (restricted)	<u>31,034,349</u>	<u>29,542,017</u>
Grants receivable	1,877,766	588,031	Total current liabilities	<u>32,776,331</u>	<u>32,377,513</u>
Total restricted assets	<u>106,508,707</u>	<u>94,169,697</u>	Long-term debt		
Capital Assets			Bonds payable	421,685,000	344,850,000
Airport property, facilities and equipment			Bond anticipation notes	0	80,000,000
Land	198,056,260	195,413,907	Total long-term debt	<u>421,685,000</u>	<u>424,850,000</u>
Land improvements	312,577,392	302,646,368	Other liabilities		
Buildings	143,514,985	136,560,710	Deposit from Kentucky Air National Guard	3,033	297,834
Utility systems	34,956,875	34,831,436	Deposit from UPS Land Option	2,186,987	0
Vehicles and other	18,305,185	18,824,411	Unamortized bond premium, net	10,058,352	2,728,646
Total	<u>707,410,697</u>	<u>688,276,832</u>	Deposit from Commonwealth of Kentucky	20,000,000	20,000,000
Less accumulated depreciation	(243,681,743)	(217,428,669)	Deferred Income	185,182	270,369
Net Airport property, facilities and equipment	463,728,954	470,848,163	Total other liabilities	<u>32,433,554</u>	<u>23,296,849</u>
Construction in progress	191,322,859	176,947,619	Total liabilities	<u>486,894,885</u>	<u>480,524,362</u>
Total capital assets	<u>655,051,813</u>	<u>647,795,782</u>	NET ASSETS		
Other assets			Invested in capital assets, net of related debt	300,918,279	284,153,436
Deferred bond costs, net of accumulated amortization of \$1,792,450 in 2003 and \$3,812,598 in 2002	18,562,897	12,504,647	Restricted for debt service	8,885,114	9,364,109
Total other assets	<u>18,562,897</u>	<u>12,504,647</u>	Restricted for capital projects	2,749,961	1,589,229
Total assets	<u>\$ 798,684,360</u>	<u>\$ 768,565,719</u>	Unrestricted	(763,879)	(7,065,417)
			Total net assets	<u>\$ 311,789,475</u>	<u>\$ 288,041,357</u>



**LOUISVILLE
REGIONAL
AIRPORT
AUTHORITY®**

P.O. Box 9129
Louisville, KY 40209-0129
502-368-6524
Fax: 502-367-0199
email: raa@louintlairport.com
<http://www.louintlairport.com>

