



**REGIONAL AIRPORT  
AUTHORITY**  
LOUISVILLE AND  
JEFFERSON COUNTY®

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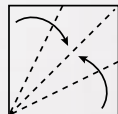


REGIONAL AIRPORT AUTHORITY  
OF LOUISVILLE AND JEFFERSON COUNTY®

– 2001 ANNUAL REPORT –



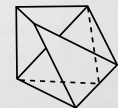
THE EXECUTIVE JET



1. Fold the edges of an 8" square sheet to the center.



2. Fold pointed end over so the point is about 1-1/2" from opposite corner.



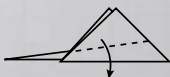
3. Fold up on dotted lines as indicated. Open the crease and tuck the flaps under with an inverted fold.



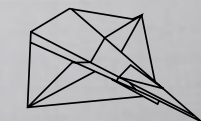
4. The plane should look like this. Now, fold the point back on the dotted line.



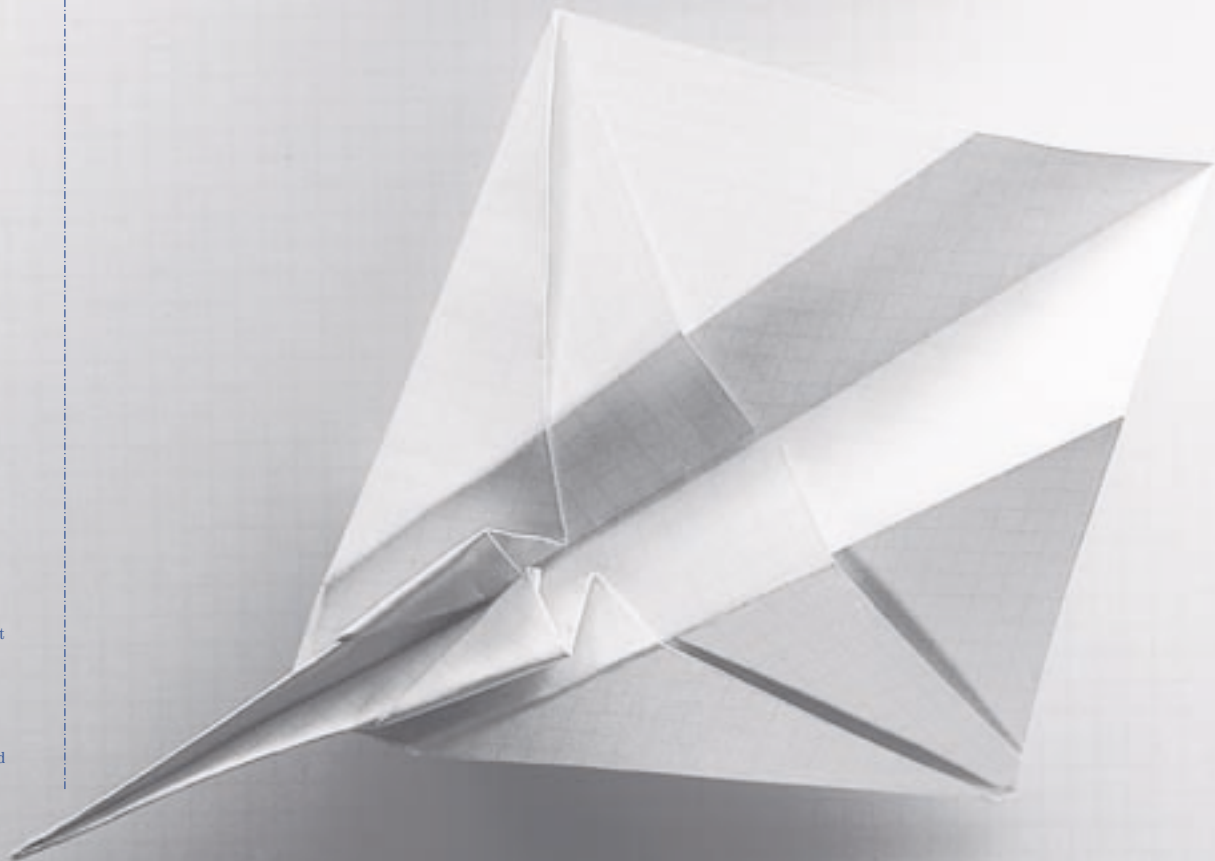
5. Fold the sides of the pointed end to the centerline as shown. Then fold the plane in half toward you.



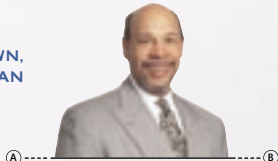
6. Fold the wings out, along the nose line.



7. That's it! Now you can really get down to business.



J. MICHAEL BROWN,  
CHAIRMAN



Executive Statement

This annual report covers Fiscal Year 2001 (July 1, 2000 through June 30, 2001), summarizing major events during that period at the Regional Airport Authority and its two airports – Louisville International Airport and Bowman Field.

This report does not, however, include events related to the September 11th terrorist actions or thereafter. Those events will be covered in the FY 2002 annual report. Airlines and airports across the country, including ours, are still reeling from this tragedy and its aftershocks. We can recover, though, if we restore the public's confidence in America's aviation system. Be assured, we are working hard to do so.

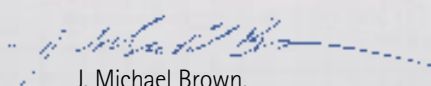
We want to thank you for your part in making Fiscal Year 2001 an exciting year. Many ideas took flight and many projects made smooth landings. In celebration, we chose a graphic design for this annual report featuring paper airplanes to permit you to "build your own" fleet and let your own ideas take flight.


Total passengers handled at Louisville International Airport in FY 01 increased 1% over FY 00, for a total of 3,955,825. Passenger boardings exceeded the previous fiscal year in eight of the twelve months and reached an all-time high in both Calendar Year 2000 and Fiscal Year 2001. These increases are attributed to the addition and enhancement of new service by Southwest Airlines, Delta Express, Continental, Northwest, ASA and US Airways, as well as a targeted advertising campaign that continues to draw passengers from Cincinnati, Lexington and other outlying areas.

Several airport improvements were completed, while many others progressed in the planning stages. Louisville International Airport's Master Plan and Noise Compatibility Studies continued with significant community input, while the Relocation Program continued to move families away from aircraft noise. Bowman Field continued its comprehensive renovation program of both buildings and airfield.

Fiscal Year 2001 was a very good year. Thank you for making it so.

Sincerely,

  
J. Michael Brown,  
Chairman

  
Jim DeLong,  
General Manager

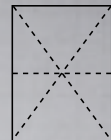
JIM DeLONG,  
GENERAL MANAGER







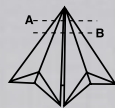
## THE INTERNATIONAL CHARTER



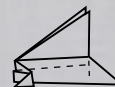
1. On an 8-1/2" x 11" sheet, make folds from opposite corners. Open up and fold the sheet in half along the width.



2. Accordion-fold the whole piece. The inner flaps will overlap as shown. Fold the top surfaces to the center.



3. About two inches down from the tip, fold away from you (A). Fold back at (B). Fold the plane in half.



4. Fold the wings back at a slight angle and fold up the wing tips slightly.



5. Your charter flight is fueled and ready!

## Ideas Taking Flight: Move Customs To The Airport

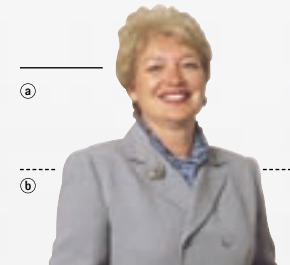
Louisville International Airport and the local U.S. Customs Service are working cooperatively to attract additional international passenger service. New service would augment current nonstop flights to Canada and direct flights to the Caribbean. The Customs Service wants to relocate on-airport, in the former Delta wing of the old terminal, to better serve airport customers. The old Delta wing can accommodate U.S. Customs, the Immigration and Naturalization Service (INS), U.S. Department of Agriculture (USDA) and an International/Charter Terminal. Bringing the three federal agencies under one roof is necessary for the airport to provide a full-service, federal inspection station (FIS).

Since about 90% of current U.S. Customs Service work is on-airport, the move will enable agents to more efficiently service international air cargo, freight forwarders and passengers on and near the airport. Mayor David Armstrong and Congresswoman Anne Northup have led the planning and funding for this facility.

DAVID ARMSTRONG,  
MAYOR OF LOUISVILLE, BOARD MEMBER



4



REBECCA JACKSON, COUNTY JUDGE-EXECUTIVE  
OF JEFFERSON COUNTY, BOARD MEMBER

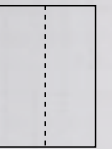
## Ideas Taking Flight: Relocate Neighbors Away From Noise

In an effort to hasten the relocation of airport neighbors away from aircraft noise, the Airport Board issued bonds in FY 01 to accelerate the relocation program. By the end of Calendar Year 2003 – five years faster than originally announced – all homeowners in the approved relocation areas will have received offers on their homes.

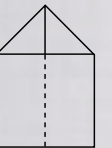
In FY 01, the relocation program made offers on 236 homes and relocated 195 families through both the traditional and "house swap" programs. As of June 30th, Heritage Creek was taking the shape of a small city, with 88 homes occupied out of the 143 contracts left for Heritage Creek that fiscal year.

## THE TRANSPORTER

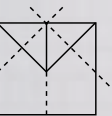
1. Fold an 8-1/2" x 11" sheet lengthwise, then open.



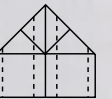
2. Fold the two top corners in to the centerline.



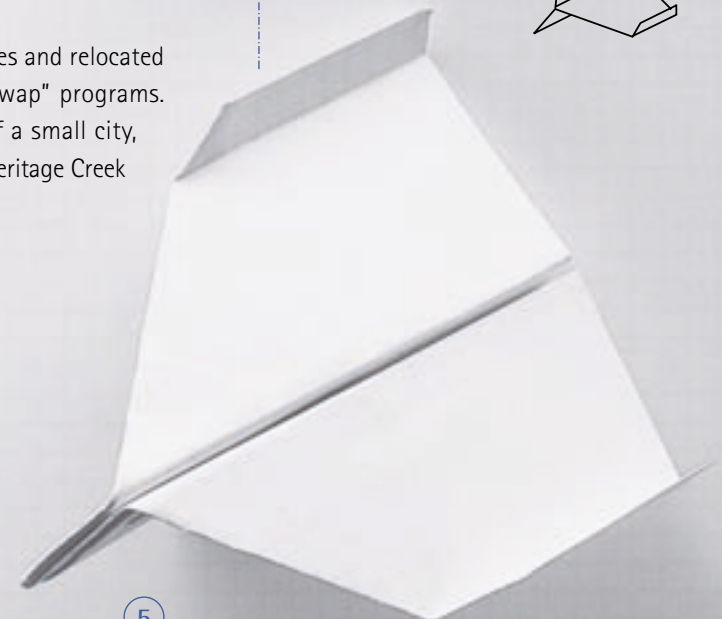
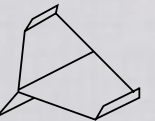
3. Fold the tip down, as shown. Fold along the dotted lines – bring the flaps toward you and then fold them down.



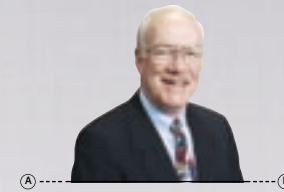
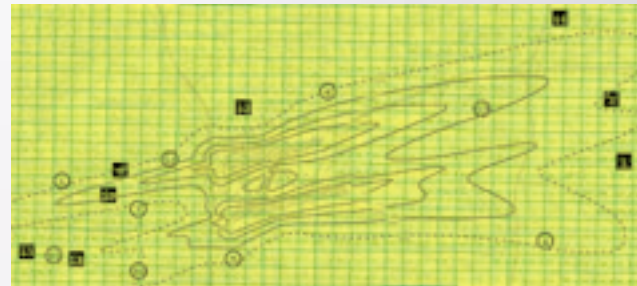
4. Fold along the dotted lines, so that the plane looks like figure 5.



5. Staple the nose, and let this fine plane take you places!



5

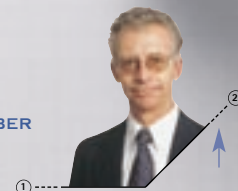


SAM RECHTER, BOARD MEMBER

### Ideas Taking Flight: Minimize Noise For Neighbors

The Louisville International Airport Noise Compatibility Study Group continued to gather and analyze data, review options and work toward community consensus on a new noise plan for the airport.

Rather than waiting for the noise study's completion, the Airport Board implemented the Study Group's first recommendation, the hiring of a full-time noise officer – Bob Slattery – in January of this fiscal year. The Airport Board also began testing a flight track monitoring system, another preliminary Noise Study recommendation. Detailed information about the noise study is available at [www.sdfnoisestudy.com](http://www.sdfnoisestudy.com).



DORN CRAWFORD, BOARD MEMBER

### THE GLIDER

1. Fold an 8-1/2" x 11" sheet in half lengthwise. Fold the top sides in to the center, then bring the diagonal sides together in the middle.



2. Fold the top point to the bottom, as shown.



3. Fold the tip up along the dotted line as shown.



4. Fold the last bit down even with the previous crease. Now, fold the plane in half toward you.



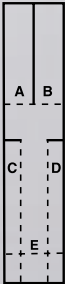
5. Fold out the wings and fold down the edges. Adjust the stabilizers any way you want.



6. Finished! A gentle push will give you a silent, steady flight.



THE WORKHORSE  
HELICOPTER

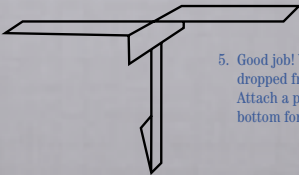


1. Cut along all the solid lines on the diagram to the left.

2. Fold flap A forward and flap B back.

3. Fold flaps C and D forward along the dotted lines.

4. Fold upward along line E to add weight to the bottom.



5. Good job! Works best when dropped from a high place. Attach a paper clip to the bottom for a better flight.

BERT BLIEDEN, BOARD MEMBER



**Ideas Taking Flight:**  
**Upgrade Facilities To Upgrade Service**

Inside the terminal, new and expanded food and beverage outlets opened in FY 01. They include Starbucks in the rotunda; Bluegrass Brewing Company and Louisville Home Plate Sports Grill in the concourses; and a food court featuring KFC, Pizza Hut and Burger King. Construction began in FY 01 on The Woodford Reserve Bar and Grille, which has since opened to rave reviews. A video arcade opened; the shoe-shine concession expanded and relocated to a more visible and accessible location; and high speed wireless internet connectivity was added from curb to gate.

Outside the terminal, construction began on a new air rescue fire station that is triple the size of the current firehouse and reduces response time by at least one minute. The Airport Police added a bicycle patrol. And, the airport served as a national test site for the ADS-B navigation system, which has the potential to substantially enhance safety, capacity and efficiency for the nation's airlines and airports.

Planning, design or construction began on a number of other projects, including the west perimeter road, Crittenden Drive, valet parking, a concierge service, terminal renovations and an airport hotel, to name just a few.

MILO D. BRYANT, BOARD MEMBER





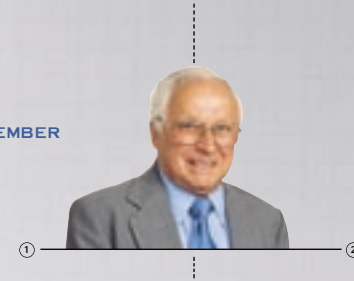
**Ideas Taking Flight:**  
**Renovate Bowman; Recruit Aviators**

Bowman Field, the oldest continually operating airport in the country, received a substantial facelift in FY 01. The Administration Building was renovated, landscaping was upgraded, and additional T-hangars were built. The reconstruction of Runway 6/24 began, which included improvements to drainage, dense grade, signage, lighting and other areas. Extensive repairs to Runway 14/32 began after Runway 1/19 was re-paved for temporary use during construction.

Bowman Field also reaffirmed its mission as a flight training center when Shawnee Aviation High School and Jefferson Technical College began moving some of their flight and aircraft mechanic technician training to Bowman Field. This was the first step in a bold initiative to position Bowman Field as a leading regional center for live aviation training and classes.



RAY McDONALD, BOARD MEMBER

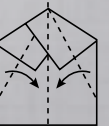


**THE FLIGHT TRAINER**

1. Fold an 8-1/2" x 11" sheet in half along width and length – bringing the corners down to the dots as shown.



2. Fold the sides to the center under the flap as shown by arrows. Fold the plane in half toward you.



3. Fold the wings out along the dotted line as shown.



4. Simple! It's the perfect plane for beginners.

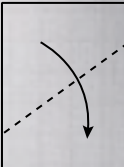


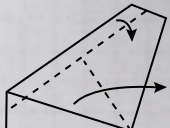
CISSY MUSSELMAN, BOARD MEMBER

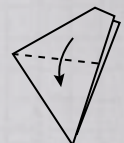





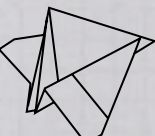
## THE NEXT GENERATION

- 

1. Fold an 8-1/2" x 11" sheet so the opposite corners meet.
- 

2. Fold along dotted line A so the edge is even with the two side points. Now fold the plane half (B).
- 

3. Fold the top sections down on both sides. Flip the folded paper over.
- 

4. Open out the wings at a slight angle, leaving the center alone.
- 

5. The future of flying is ready for takeoff!

## Ideas Taking Flight: Continue Planning For The Future

Louisville International Airport continued the work begun in FY 00 on its proposed Master Plan, which, when complete, will offer a blueprint for accommodating projected growth in passengers, cargo and air operations through 2020. The second public workshop was held in March, 2001, during which consultants provided specific information on potential airport deficiencies and proposed alternatives for addressing them. The consultants, after several months of study, determined it was not feasible to relocate the airport from its present site. Therefore, the Master Plan consultants have focused on upgrading and expanding current facilities and maximizing space at the airport's current location.

J. D. NICHOLS,  
VICE CHAIRMAN

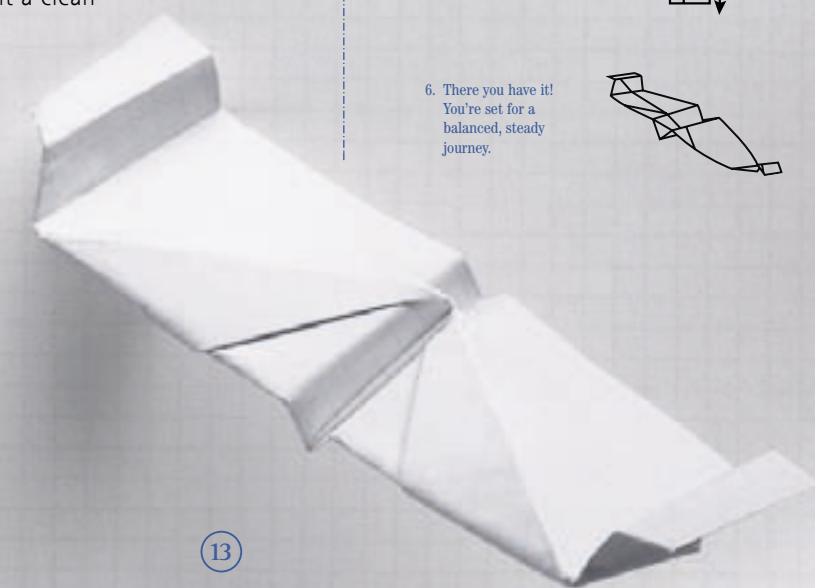


LARRY HAYES,  
SECRETARY/TREASURER

## Ideas Taking Flight: Stay Committed To Fiscal Prudence And Improved Bond Ratings

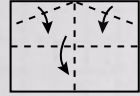
During FY 01, both Standard & Poor's and Fitch's rating agencies upgraded the Regional Airport Authority's bond rating from "A" to "A+", while Moody's confirmed the A-1 rating it gave the Authority. Reasons cited for the upgrades include strong, experienced management, the presence and commitment of UPS, balanced airline passenger market shares, high EBI (effective buying income) in the airport's service area and the Authority's overall strong and stable performance.


The Authority's external CPAs gave the FY 01 audit a clean bill of health, with no management questions or concerns – another affirmation of the airport's commitment to acting in a fiscally prudent manner.




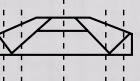
## THE BALANCED BUDGET


1. Fold an 8-1/2" x 11" sheet in half along both length and width, then open. Fold each corner as shown to meet the crease along its width. Fold the top half down.

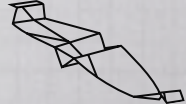

2. Fold the top corners to the bottom edge.


3. Fold the top back to the bottom edge.


4. Fold the plane in half and fold out the wings on the dotted lines.


5. Finally, fold up the stabilizers.


6. There you have it! You're set for a balanced, steady journey.





## 2001 FINANCIAL SUMMARY

### Ideas Taking Flight: Be Efficient, Productive and Profitable

ASSETS	2001	2000
Current assets (unrestricted)		
Cash and cash equivalents	\$ 35,318,152	\$ 6,036,498
Investments	100,000	100,000
Fees and rentals receivable	4,093,640	3,389,611
Supplies and prepaid expenses	<u>672,357</u>	<u>1,010,750</u>
Total current assets	<u>40,184,149</u>	<u>10,536,859</u>
Restricted assets		
Cash and cash equivalents	26,406,660	21,943,749
Investments, at amortized cost plus accrued interest	101,103,950	18,821,256
Grants receivable	<u>749,900</u>	<u>723,206</u>
Total restricted assets	<u>128,260,510</u>	<u>41,488,211</u>
Airport property, facilities and equipment		
Land	193,140,490	193,140,489
Land improvements	300,948,177	301,141,521
Buildings	129,145,300	128,958,981
Utility systems	34,908,697	34,908,697
Vehicles and other	<u>18,166,772</u>	<u>17,998,450</u>
676,309,436	676,148,138	
Less accumulated depreciation	<u>(194,468,115)</u>	<u>(169,330,107)</u>
	<u>481,841,321</u>	<u>506,818,031</u>
Construction in progress	<u>127,740,986</u>	<u>92,907,660</u>
Other assets		
Deferred bond costs, net of accumulated amortization		
of \$3,080,939 in 2001 and \$2,368,759 in 2000	<u>13,258,865</u>	<u>12,449,135</u>
Total assets	<u>\$ 791,285,831</u>	<u>\$664,199,896</u>

LIABILITIES AND FUND BALANCES	2001	2000
Current liabilities (payable from unrestricted current assets)		
Accounts payable	\$ 2,064,197	\$ 982,846
Line of credit	0	6,000,000
Accrued expenses and other	754,511	701,002
Deferred income	<u>650,938</u>	<u>524,346</u>
Total current liabilities (unrestricted)	<u>3,469,646</u>	<u>8,208,194</u>
Current liabilities (payable from restricted assets)		
Current portion of bonds payable	16,750,000	17,970,000
Bond anticipation notes	10,000,000	90,000,000
Accounts payable	5,683,760	3,426,360
Accrued interest	224,000	352,869
Revolving coverage	<u>6,300,000</u>	<u>6,300,000</u>
Total current liabilities (restricted)	<u>38,957,760</u>	<u>118,049,229</u>
Total current liabilities	<u>42,427,406</u>	<u>126,257,423</u>
Long-term debt		
Bonds payable	362,445,000	265,945,000
Bond anticipation notes	<u>80,000,000</u>	<u>0</u>
Total long-term debt	<u>442,445,000</u>	<u>265,945,000</u>
Other liabilities		
Deposit from Kentucky Air National Guard	206,615	3,669,502
Unamortized bond premium, net	2,839,064	0
Deposit from Commonwealth of Kentucky	20,000,000	20,000,000
Deferred income	<u>246,228</u>	<u>490,000</u>
Total other liabilities	<u>23,291,907</u>	<u>24,159,502</u>
Total liabilities	508,164,313	416,361,925
Fund balances		
Contributed capital		
- construction and equipment grants	225,425,540	232,478,641
Retained earnings	<u>57,695,978</u>	<u>15,359,330</u>
Total fund balances	<u>283,121,518</u>	<u>247,837,971</u>
Total liabilities and fund balances	<u>\$ 791,285,831</u>	<u>\$ 664,199,896</u>

STATEMENTS OF REVENUES AND EXPENSES	2001	2000
Operating revenues		
Rentals and concessions	\$ 30,170,177	\$ 27,972,599
Landing and field use fees	<u>23,767,029</u>	<u>22,138,288</u>
	<u>53,937,206</u>	<u>50,110,887</u>
Operating expenses		
Operations and maintenance	9,023,798	8,311,234
Depreciation and amortization (including		
depreciation on construction and equipment		
acquired by grants \$7,053,101 in 2001 and		
\$7,080,290 in 2000)	26,086,363	26,281,651
Administrative, general, planning and engineering	<u>8,002,403</u>	<u>6,460,777</u>
	<u>43,112,564</u>	<u>41,053,662</u>
Operating income	<u>10,824,642</u>	<u>9,057,225</u>
Other revenues (expenses)		
Investment earnings, net	4,030,371	3,179,238
Interest expense	(20,841,576)	(20,500,876)
Passenger facility charges	5,639,097	5,491,967
Net gain (loss) on sale of assets and other revenue	(14,769)	116,771
Write-off of deferred landing fees	0	(11,496,489)
Construction and equipment grants	<u>35,645,782</u>	<u>0</u>
	<u>24,458,905</u>	<u>(23,209,389)</u>
Net income (loss)	\$ 35,283,547	\$ (14,152,164)

STATEMENTS OF CASH FLOWS	2001	2000
Cash flows from operating activities		
Net loss	\$ 35,283,547	\$ (14,152,164)
Adjustments to reconcile net loss to net cash		
provided by operating activities:		
Depreciation and amortization	26,086,363	26,281,651
Gain on disposal of airport property	(1)	(34,200)
Changes in operating assets and liabilities:		
Fees and rentals receivable	(704,029)	513,503
Deferred landing fees	0	11,496,489
Supplies and prepaid expenses	338,393	178,299
Grants receivable	(26,694)	0
Accounts payable	1,081,351	190,713
Accrued expenses and other	<u>(816,363)</u>	<u>4,192,897</u>
Net cash provided by operating activities	<u>61,242,567</u>	<u>28,667,188</u>
Cash flows from investing activities		
Capital expenditures	(32,933,104)	(42,712,672)
Proceeds from disposal of airport property	1	34,200
Net (increase) decrease in investments	<u>(82,282,694)</u>	<u>7,420,084</u>
Net cash used by investing activities	<u>(115,215,797)</u>	<u>(35,258,388)</u>
Cash flows from financing activities		
Proceeds from construction and equipment grants	0	17,995,679
Net borrowings (repayments) on line of credit	(6,000,000)	6,000,000
Proceeds from issuance of bonds	109,250,000	0
Principal payments on debt	(13,970,000)	(13,325,000)
Bond issuance and other costs	<u>(1,562,205)</u>	<u>0</u>
Net cash provided by financing activities	<u>87,717,795</u>	<u>10,670,679</u>
Net increase in cash and cash equivalents	33,744,565	4,079,479
Cash and equivalents, beginning of year	<u>27,980,247</u>	<u>23,900,768</u>
Cash and equivalents, end of year	<u>61,724,812</u>	<u>27,980,247</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest including		
amount capitalized	\$ 21,149,759	\$ 20,407,949

Noncash investing, capital and financing activities:  
The Authority has retainage and accounts payable related to construction in progress of approximately \$5,683,760 and \$3,426,360 as of June 30, 2001 and 2000, respectively. These noncash transactions have been excluded from the above statements.

The Authority transferred land to the state during the year ending June 30, 2000 in a noncash exchange for relief from the \$9,820,125 in Kentucky Economic Development Bonds.