

**CITY OF CHARLOTTE AIRPORT
AN ENTERPRISE FUND OF THE CITY OF CHARLOTTE
FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
AND INDEPENDENT AUDITORS' REPORT**

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Report of Independent Auditor

To the Honorable Mayor and
Members of City Council
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Charlotte Airport (the "Airport"), an enterprise fund of the City of Charlotte, North Carolina (the "City"), as of June 30, 2013, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2013, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Airport and do not purport to, and do not present fairly the financial position of the City as of June 30, 2013, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Airport as a whole. The Additional Information and Certification of Chief Financial Officer, as listed in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Additional Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The Certification of the Chief Financial Officer has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Channing Roubert LLP

Raleigh, North Carolina
June 2, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Airport's (an enterprise fund of the City of Charlotte) financial statements presents a narrative overview and analysis of the Airport's financial performance for the fiscal year ended June 30, 2013. Please read it in conjunction with the financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in millions of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Airport exceeded its liabilities at the end of 2013 by \$1,170.8 (net position). Of this amount, \$370.4 (unrestricted net position), or 32 percent, is available to support operations and capital programs.
- The overall financial position of the Airport improved in 2013 as evidenced by an increase in total net position of \$106.0.
- The Airport continued collecting Passenger Facility Charges (PFC) during fiscal year 2013 in the amount of \$53.1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists primarily of three parts: management's discussion and analysis (this section), the financial statements, and additional information pertaining to the change in net position for included and excluded centers as well as schedules of cash deposits and withdrawals by bond issue. The financial statement section includes notes to the financial statements that provide explanations and detailed data (pages 13-24).

The *statement of net position* includes all of the Airport's assets and liabilities. The *statement of revenues, expenses and changes in net position* accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the Airport's net position and how it changed. Net position, the difference between assets and liabilities, is one way to measure the Airport's financial health or position. Over time, increases or decreases in the Airport's net position are one indicator of whether financial health is improving or deteriorating.

FINANCIAL ANALYSIS OF THE AIRPORT AS A WHOLE

Net Position. A summary of the Airport's net position at June 30, 2013 and 2012 is presented below:

Net Position
(in Millions)

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 1,015.8	\$ 975.6
Capital assets	1,055.9	1,007.0
Total assets	<u>2,071.7</u>	<u>1,982.6</u>
Deferred outflows of resources	<u>1.8</u>	<u>2.1</u>
Current liabilities	75.7	68.5
Noncurrent liabilities	827.0	851.4
Total liabilities	<u>902.7</u>	<u>919.9</u>
Net position:		
Net investment in capital assets	447.2	399.8
Restricted	353.2	312.0
Unrestricted	370.4	353.0
Total net position	<u><u>\$ 1,170.8</u></u>	<u><u>\$ 1,064.8</u></u>

A primary portion of the Airport's net position (38 percent) is comprised of its investment in capital assets (land, buildings, runways, etc.), less any related outstanding debt. These capital assets are used to provide services; therefore, they are not available for future spending.

An additional portion of the Airport's net position (30 percent) represents resources that are subject to external restrictions. The remaining balance, \$370.4 or 32 percent, consists of unrestricted net position that may be used to support operations and capital programs.

Restricted net position increased by \$41.2. This is mainly due to collections of passenger facility charges, which are restricted for use on Federal Aviation Administration (FAA) approved projects.

Changes in net position. The following table presents the Airport's changes in net position for fiscal years ended June 30, 2013 and 2012:

Changes in Net Position		
(in Millions)		
	<u>2013</u>	<u>2012</u>
Revenues		
Operating revenues:		
Terminal area	\$ 31.0	\$ 29.7
Airfield	22.2	14.6
Concessions	47.0	42.2
Parking	42.5	38.6
Maintenance facility	7.1	7.1
Other	28.4	25.8
Nonoperating revenue:		
Passenger facility charges	56.1	53.1
Contract facility charges	9.5	8.9
Investment earnings	(0.7)	4.2
Total revenues	<u>243.1</u>	<u>224.2</u>
Expenses		
Operating	126.2	117.3
Interest and other charges	30.1	35.6
Other	20.2	17.9
Total expenses	<u>176.5</u>	<u>170.8</u>
Capital contributions	<u>40.5</u>	<u>5.4</u>
Transfers to other City funds	<u>(1.1)</u>	<u>-</u>
Increase in net position	106.0	58.8
Net assets – beginning, restated	<u>1,064.8</u>	<u>1,006.0</u>
Net assets – ending	<u>\$ 1,170.8</u>	<u>\$ 1,064.8</u>

Airport operating revenues were derived primarily from the terminal area, concessions and parking (68 percent). Total revenues increased 8 percent due in part to an increase in the commercial airline landing fee and parking rates, and growth in passenger traffic in 2013.

Operating expenses cover a range of areas with the largest being the terminal area. Total operating expenses increased 8 percent due in part to increased security and utility costs.

User rates and fees are established to provide for operating expenses, debt service costs and adequate working capital.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Airport had \$1,055.9 (net of accumulated depreciation) in capital assets consisting primarily of land, buildings and runways. This amount represents a net increase of \$48.9 or 5 percent over 2012.

This year's major capital asset additions were land acquisition, an Aircraft Rescue and Firefighting facility and D-check point modifications. At June 30, 2013, unexpended authorized capital projects totaled \$298.8. These projects are primarily for expansion and improvements. The Airport has plans to issue debt to finance these projects in addition to using resources currently available.

More detailed information about the Airport's capital assets is presented in Note 2 to the financial statements.

Long-term Debt

The Airport had \$838.2 and \$860.1 of revenue bonds outstanding at June 30, 2013 and 2012, respectively. This was an decrease of \$21.9, or 3 percent from last year.

More detailed information about the Airport's long-term liabilities is presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND RATES

The following economic factors impact the Airport's outlook:

- The Airport ranks as the nation's 6th busiest airport in operations, 8th in passengers and 33rd in cargo.
- Airport revenues are expected to increase 1.8 percent largely due to increased Passenger Facility Charge revenues. Operating expenses are also expected to increase 1.8 percent. This increase is due primarily to increased transfers to debt service funds.
- Several improvement projects are underway including construction of the Airport's new Hourly Parking Deck and Rental Car Facility, and construction of the Airport's new entrance road from Interstate-85.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide investors and creditors with a general overview of the Airport's finances and to demonstrate the Airport's accountability. Questions concerning this report or requests for additional financial information should be directed to the City of Charlotte's Finance Department, 600 East Fourth Street, Charlotte, NC 28202-2848.

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CITY OF CHARLOTTE AIRPORT
STATEMENT OF NET POSITION
JUNE 30, 2013
(In Thousands)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 721,686
Receivables, net of allowance for uncollectibles of \$283-	
Accounts	32,486
Other	<u>1,181</u>
Total receivables	33,667
Due from other governmental agencies	14,987
Restricted assets-	
Cash and cash equivalents	73,759
Investments	<u>164,709</u>
Total restricted assets	<u>238,468</u>
Total current assets	<u>1,008,808</u>
Noncurrent assets:	
Other postemployment benefit assets	7,036
Capital assets (Note 2)-	
Land	299,917
Buildings	642,556
Runways	392,371
Other improvements	91,366
Intangibles	3,317
Machinery and equipment	38,485
Construction in progress	<u>158,255</u>
Total capital assets	1,626,267
Less accumulated depreciation	<u>570,386</u>
Total capital assets, net	<u>1,055,881</u>
Total noncurrent assets	<u>1,062,917</u>
Total assets	<u>2,071,725</u>

DEFERRED OUTFLOWS OF RESOURCES

Unamortized bond refunding charges	<u>1,876</u>
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The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current liabilities:	
Accounts payable	\$ 24,190
Deposits and retainage payable	1,817
Current maturities of long-term liabilities	732
Current liabilities payable from restricted assets-	
Accounts payable	4,870
Deposits and retainage payable	3,225
Accrued interest payable	18,213
Revenue bonds payable	<u>22,664</u>
Total current liabilities payable from restricted assets	<u>48,972</u>
Total current liabilities	<u>75,711</u>
 Noncurrent liabilities (Note 3):	
Revenue bonds payable - net of unamortized premiums of \$10,807	826,348
Compensated absences payable	<u>684</u>
Total noncurrent liabilities	<u>827,032</u>
 Total liabilities	<u>902,743</u>

NET POSITION

Net investment in capital assets	445,327
Restricted for:	
Debt service	53,914
Passenger facility charges	248,867
Contract facility charges	27,383
Working capital	23,048
Unrestricted	<u>372,319</u>
Total net position	<u>\$ 1,170,858</u>

CITY OF CHARLOTTE AIRPORT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

OPERATING REVENUES:	
Terminal area	\$ 30,988
Airfield	22,202
Concessions	47,056
Parking	42,486
Maintenance facility	7,066
Other	<u>28,422</u>
Total operating revenues	<u>178,220</u>
OPERATING EXPENSES:	
Terminal area	47,110
Services facility	17,221
Public airfield facilities	4,552
Fixed base operator area	16,870
Cargo area	2,105
Depreciation	<u>38,317</u>
Total operating expenses	<u>126,175</u>
Operating income	<u>52,045</u>
NONOPERATING REVENUES (EXPENSES):	
Passenger facility charges	56,111
Contract facility charges	9,543
Investment earnings	(662)
Interest expense and other charges	(30,088)
Non-airline terminal revenue distribution	(16,041)
Miscellaneous	<u>(4,143)</u>
Total nonoperating revenues (expenses)	<u>14,720</u>
Income before contributions and transfers	66,765
CAPITAL CONTRIBUTIONS	40,475
TRANSFERS OUT TO OTHER CITY FUNDS (Note 12)	<u>(1,127)</u>
Change in net position	<u>106,113</u>
Total net position - beginning, previously reported	1,079,471
Restatement (Note 13)	<u>(14,726)</u>
Total net assets - beginning, restated	<u>1,064,745</u>
Total net assets - ending	<u>\$ 1,170,858</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLOTTE AIRPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers	\$ 170,434
Payments to suppliers	(61,176)
Payments to other City funds for services	(10,459)
Payments to employees	(15,740)
Payments to airlines for non-airline terminal revenue distribution	(13,768)
Other receipts	<u>60</u>
Net cash provided by operating activities	<u>69,351</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfers to other City funds (Note 12)	<u>(1,127)</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES:

Passenger facility charges	51,662
Contract facility charges	9,540
Acquisition and construction of capital assets	(80,218)
Principal paid on capital debt	(21,890)
Interest and other charges paid on capital debt	(39,497)
Capital contributions	<u>29,265</u>
Net cash used by capital and related financing activities	<u>(51,138)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(55,044)
Proceeds from sale and maturities of investments	88,246
Interest received	<u>163</u>
Net cash provided by investing activities	<u>33,365</u>

Net increase in cash and cash equivalents	50,451
Cash and cash equivalents - beginning of year	<u>744,994</u>
Cash and cash equivalents - end of year	<u>\$ 795,445</u>

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CITY OF CHARLOTTE AIRPORT
STATEMENT OF CASH FLOWS - (Continued)
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 52,045
Adjustments to reconcile operating income to net cash provided by operating activities-	
Depreciation	38,317
Other receipts	60
Non-airline terminal revenue distribution	(13,768)
Change in assets and liabilities-	
(Increase) in receivables	(7,786)
Decrease in due from other governmental agencies	98
Decrease in other postemployment benefit assets	42
Increase in accounts payable	683
(Decrease) in deposits and retainage payable	(40)
(Decrease) in due to component unit	(204)
(Decrease) in compensated absences payable	(96)
Total adjustments	<u>17,306</u>
Net cash provided by operating activities	<u>\$ 69,351</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Dollar Amounts in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity

The accompanying financial statements present only the activities and resources of the City of Charlotte Airport, an enterprise fund of the City of Charlotte, North Carolina, and, accordingly, do not purport to and do not present the financial position of the City of Charlotte, North Carolina.

b. Basis of Presentation

The City of Charlotte Airport (Airport) is an enterprise fund of the City of Charlotte (City) that accounts for the operations of the Charlotte/Douglas International Airport. All assets and liabilities associated with the Airport's activities are included on the Statement of Net Position. The Airport financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

c. Cash and Cash Equivalents/Investments

The City maintains a cash management pool (pool) that is used by the Airport and other funds of the City. The pool facilitates disbursement and investment and maximizes investment income. Since the Airport may deposit additional amounts at any time and may withdraw funds at any time without prior notice or penalty, the pool is used essentially as a demand deposit account. Therefore, for the Statement of Net Position and Statement of Cash Flows, pooled cash is considered cash and cash equivalents. The restricted cash and cash equivalents/investments are held by trustees as required by revenue bond covenants. All restricted money market funds are considered cash and cash equivalents. The remaining amount of restricted assets is considered investments.

Deposits

All deposits of the City are made in board-designated official depositories and are secured as required by State statutes. The City may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the City's deposits are either insured or collateralized by using the Pooling Method. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

Investments

State statute 159-30 authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; repurchase agreements having third-party safekeeping; and the North Carolina Capital Management Trust (NCCMT), an SEC registered mutual fund. The City is not authorized to enter into reverse repurchase agreements.

The restricted investments at June 30, 2013, stated at fair value, were \$164,709 and were invested as follows: \$29,034 in U.S. Agencies and \$135,675 in NCCMT. All investments have maturities of less than one year.

Interest Rate Risk. Although the City does not have a formal investment policy, internal investment guidelines prohibit maturities longer than five years which helps manage exposure to fair value losses in rising interest rate environments.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NSRO's). Although the City had no formal policy on managing credit risk, internal investment guidelines for commercial paper require at least two ratings from either Standard & Poor's (S&P), Fitch Ratings (Fitch), or Moody's Investors Service (Moody's). As of June 30, 2013, the Airport's investment in the NCCMT Cash Portfolio carried a credit rating of AAAm by S&P. The Airport's investments in U.S. Agencies (Federal Home Loan Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation) are rated AA+ by S&P and Aaa by Moody's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2013, the City had no investments subject to custodial credit risk. The City had no formal policy on custodial credit risk. However, the City's internal policy limits custodial credit risk by providing that security in the collateral be delivered to a third party safekeeping bank designated by the City.

Concentration of Credit Risk. The City's informal investment policy limits the amount of commercial paper or bankers' acceptances to a maximum of 25 percent of the portfolio. For commercial paper, a maximum of \$20 million may be invested in any one issuer. For bankers' acceptances, the maximum investment is limited to 10 percent of the portfolio for any one issuer.

d. Capital Assets

Capital assets are assets with an initial, individual cost of more than \$5 and are reported at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	25 years
Runways	33 years
Other Improvements	25 years
Machinery and Equipment	4-30 years

Net interest cost on debt issued to finance the construction of capital assets was capitalized during the construction period in the amount of \$7,351 for the year ended June 30, 2013.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

e. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The Deferred Outflows of Resources financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Airport has unamortized bond refunding charges of \$1,876 that meet this criterion.

f. Noncurrent Liabilities

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed in the reporting period in which they are incurred.

g. Compensated Absences

Employees earn vacation leave at the rate of 10 to 20 days per year and can accrue a maximum of 20 to 40 days, depending on length of service. Unused vacation days are payable upon termination, resignation, retirement or death.

Employees accumulate sick leave at the rate of one day per month and can accrue an unlimited number of days. Sick leave can be taken for personal illness or illness of a member of the immediate family. Sick leave is lost upon termination or resignation. However, twenty percent of outstanding sick leave, with a maximum of 43.5 days, is payable upon retirement or death.

Compensated absences payable includes accumulated unpaid vacation leave and sick leave.

h. Net Position

Net position is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are externally imposed by creditors, grantors, contributors, bond covenants, regulations of other governments or by State statute.

i. Revenues

The primary sources of revenue at the Airport are fees and charges paid by the airlines and revenues paid by concessionaires providing services to the general public. Signatory airline terminal and airfield rates and charges are governed by twenty-five or thirty year lease agreements, and concession revenues are established by leases of varying methodologies and terms. The airlines are assessed four categories of fees and charges: rent, airport services, maintenance and operation fees, and landing fees. Airline fees and charges are established at a level adequate to recover the related services and facilities costs. Concession revenues are generated either through fixed annual charges or on the basis of a percentage of sales generated by the tenants' operations.

The Airport distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport result from exchange transactions associated with the principal activity of the Airport. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

2. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 297,504	\$ 2,481	\$ 68	\$ 299,917
Construction in progress	<u>104,231</u>	<u>87,895</u>	<u>33,871</u>	<u>158,255</u>
Total capital assets, not being depreciated	<u>401,735</u>	<u>90,376</u>	<u>33,939</u>	<u>458,172</u>
Capital assets, being depreciated:				
Buildings	626,667	15,889	-	642,556
Runways	392,108	263	-	392,371
Other improvements	85,647	5,719	-	91,366
Intangibles	-	3,317	-	3,317
Machinery and equipment	<u>34,785</u>	<u>5,958</u>	<u>2,258</u>	<u>38,485</u>
Total capital assets being depreciated	<u>1,139,207</u>	<u>31,146</u>	<u>2,258</u>	<u>1,168,095</u>
Less accumulated depreciation for:				
Buildings	374,501	20,376	-	394,877
Runways	111,661	11,497	-	123,158
Other improvements	30,615	3,523	-	34,138
Intangibles	-	332	-	332
Machinery and equipment	<u>17,117</u>	<u>2,589</u>	<u>1,825</u>	<u>17,881</u>
Total accumulated depreciation	<u>533,894</u>	<u>38,317</u>	<u>1,825</u>	<u>570,386</u>
Total capital assets, being depreciated, net	<u>605,313</u>	<u>(7,171)</u>	<u>433</u>	<u>597,709</u>
Capital assets, net	<u>\$ 1,007,048</u>	<u>\$ 83,205</u>	<u>\$ 34,372</u>	<u>\$ 1,055,881</u>

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

3. NONCURRENT LIABILITIES:

A summary of changes in noncurrent liabilities for the year ended June 30, 2013, follows by type:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Revenue bonds:					
1998 series, 5.6% due 2028	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -
2000 series, 7.8% due 2028	28,910	-	-	28,910	-
2004 series A, 4.8% to 5.3% due 2024-2035	87,095	-	-	87,095	-
2004 series B, 4.8% to 5.3% due 2013-2024	45,485	-	3,135	42,350	3,300
2007 series A, 4.0% to 5.0% due 2013-2038	93,070	-	1,965	91,105	2,045
2007 series B, variable rate due 2013-2038	27,380	-	2,360	25,020	605
2008 series D, variable rate due 2013-2035	39,565	-	410	39,155	430
2009 series B, 3.0% to 5.0% due 2013-2017	37,865	-	6,945	30,920	7,290
2010 series A, 2.0% to 5.5% due 2013-2040	127,860	-	2,280	125,580	2,375
2010 series B, 1.3% to 5.5% due 2013-2029	62,335	-	2,750	59,585	2,830
2010 series C, variable rate due 2013-2040	22,965	-	440	22,525	465
2011 series A, 2.0% to 5.0% due 2013-2042	76,100	-	870	75,230	1,365
2011 series B, 2.0% to 5.0% due 2013-2042	34,250	-	385	33,865	610
2011 series C, variable rate due 2013-2042	30,920	-	350	30,570	555
2011 series CONRAC, 2.5% to 6.1% due 2042	<u>60,295</u>	<u>-</u>	<u>-</u>	<u>60,295</u>	<u>-</u>
Total revenue bonds	860,095	-	21,890	838,205	21,870
Plus unamortized premiums	<u>11,601</u>	<u>-</u>	<u>794</u>	<u>10,807</u>	<u>794</u>
Total bonds payable net of unamortized premiums	<u>871,696</u>	<u>-</u>	<u>22,684</u>	<u>849,012</u>	<u>22,664</u>
Compensated absences	<u>1,512</u>	<u>889</u>	<u>985</u>	<u>1,416</u>	<u>732</u>
Total noncurrent liabilities net of unamortized premiums	<u>\$ 873,208</u>	<u>\$ 889</u>	<u>\$ 23,669</u>	<u>\$ 850,428</u>	<u>\$ 23,396</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2014	\$ 21,870	\$ 36,445	\$ 58,315
2015	23,700	35,686	59,386
2016	24,700	34,738	59,438
2017	25,780	33,738	59,518
2018	18,275	32,874	51,149
2019-2023	104,835	152,015	256,850
2024-2028	263,320	124,012	387,332
2029-2033	149,945	61,000	210,945
2034-2038	140,510	29,123	169,633
2039-2042	<u>65,270</u>	<u>5,305</u>	<u>70,575</u>
	<u>\$ 838,205</u>	<u>\$ 544,936</u>	<u>\$ 1,383,141</u>

In December 1985, the City issued \$108,780 of Airport Revenue Bonds for the purpose of financing or reimbursing the cost of improvements and expansion of the Airport and to redeem bond anticipation notes. The 1985 bonds were advance refunded in June 1993 and replaced with 1993 Airport Refunding Revenue Bonds. The 1993 bonds were refunded in February 2009 and replaced with 2009 Airport Refunding Revenue Bonds.

**CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)**

In February 2009, the City issued \$51,180 fixed rate Airport Revenue Bonds with interest rates ranging from 2.50 to 5.00 percent to refund \$62,100 of outstanding variable rate Airport Revenue Bonds Series 1993A. The net proceeds of \$52,995 (after payment of \$941 in underwriting fees, insurance and other issuance costs) and \$14,502 in debt service funds of the 1993A bonds were used to purchase U.S. government securities and fund the debt service reserve fund for the 2009 bonds. The City completed the refunding to reduce its total debt service payments over a period of eight years by \$38,877 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$35,620.

In June 1987 and December 1988, the City issued \$67,000 and \$19,762, respectively, of Airport Special Facility Revenue Bonds to finance the construction of an aircraft hangar, a ground services equipment building and other facilities to be leased to US Airways Group, Inc. The 1987 and 1988 bonds were refunded in March 1998 and replaced with \$66,300 of 1998 Airport Refunding Revenue Bonds. The March 1998 issue also included an additional \$19,700 of Airport Special Facility Revenue Bonds for improvements of other airport facilities to be leased to US Airways Group, Inc.

In December 1999, the City issued \$191,060 of Airport Revenue Bonds for the purpose of financing or reimbursing the cost of improvements and expansion of the Airport. Of the \$191,060 revenue bonds, \$102,255 had fixed interest rates and \$88,805 had variable interest rates. In August 2007, the City issued \$99,995 of fixed rate Airport Revenue Bonds with an average interest rate of 4.82 percent to advance refund \$7,950 of outstanding Airport Revenue Bonds Series 1999A with an average interest rate of 5.75 percent.

In November 2008, the City issued \$24,480 variable rate Airport Revenue Bonds to refund \$28,805 of outstanding variable rate Airport Revenue Bonds Series 1999D. The net proceeds of \$24,258 and \$6,439 in debt service reserve funds of the 1999D bonds were used to purchase U.S. government securities and fund the debt service reserve fund for the 2008 bonds. The City completed the refunding to reduce its total debt service payments over a period of 21 years by \$26,683 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$19,310.

In February 2010, the City issued \$197,870 fixed rate Airport Revenue bonds with interest rates ranging from 1.25 to 5.50 percent to refund \$69,750 of outstanding Airport Revenue Bonds, Series 1999B. The net proceeds of \$199,074 (after payment of \$2,039 in underwriting fees, insurance and other issue costs) were used to purchase U.S. government securities, acquire and construct certain improvements to the Airport, and fund the debt service reserve fund for the 2010 bonds. The City completed the refunding to reduce its total debt service payments over a period of 19 years by \$7,105 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$4,645.

In September 2000, the City issued \$34,700 of Airport Special Facility Revenue Bonds to finance the design, acquisition, construction and equipping of certain Airport related facilities to be leased to US Airways Group, Inc.

In September 2004, the City issued \$166,935 of Airport Revenue Bonds for the purpose of financing or reimbursing the cost of improvements and expansion of the Airport. Of the \$166,935 revenue bonds, \$150,775 had fixed interest rates and \$16,160 had variable interest rates.

In November 2008, the City issued \$16,105 variable rate Airport Revenue Bonds to refund \$14,845 of outstanding variable rate Airport Revenue Bonds Series 2004D. The net proceeds of \$15,958 and \$125 in debt service funds of the 2004D bonds were used to purchase U.S. government securities and fund the debt service reserve fund for the 2008 bonds. The City completed the refunding to reduce its total debt service payments over a period of 26 years by \$11,646 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$8,190.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

In November 2011, the City issued \$60,295 of Airport Special Facility Revenue Bonds to finance the design, equipping, development, construction, and furnishing of a new consolidated rental car facility (CONRAC) at the Airport.

On August 1, 2012, the City early extinguished \$1,745 of variable rate Airport Revenue Bonds, Series 2007B.

Interest on the variable-rate bonds is determined by a remarketing agent based upon market conditions.

The Airport Special Facility Revenue Bonds are payable solely from and secured solely by a pledge of debt service rentals pursuant to a Special Facility Lease (Lease) agreement with US Airways Group, Inc.

The Revenue and Special Facility Revenue Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the Revenue Bond Order or Lease. Neither the credit nor the taxing power of the City is pledged for the payment of the principal or interest and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default under the Revenue Bond Order or Lease.

The Revenue Bond Order provided for the establishment of a special fund designated the Revenue Fund into which the City is required to deposit most Airport revenues upon receipt. Moneys on deposit in this fund will be applied at such times and in accordance with the priorities established by the Revenue Bond Order. Moneys in the Revenue Fund are required to be transferred to the following funds, established pursuant to the Revenue Bond Order, in the following order of priority: the Operating Fund, the Revenue Bond Fund and the Renewal and Improvement Fund.

The principal and interest on the Revenue Bonds are payable from net revenues of the Airport. Pursuant to the Revenue Bond Order, the City has covenanted to fix, charge and collect rates, fees, rentals and charges for the use of the Airport and to revise such rates, fees, rentals and charges as often as necessary to produce revenues at least equal to the amounts required to be transferred to the funds indicated above plus an amount sufficient to have on deposit in the Revenue Fund, as of the first business day of the next fiscal year, an amount equal to the Coverage factor for the preceding fiscal year. The Coverage factor is equal to 25 percent of the amounts required to be deposited to the Revenue Bond Fund for the principal and interest payments for the fiscal year. In addition, the Revenue Bond Order provided for the establishment of the following reserves:

- (1) In the Revenue Bond Fund an amount equal to the maximum principal and interest requirements for the Revenue Bonds for any current or succeeding fiscal year, \$41,813 in 2013.
- (2) In the Operating Fund an amount equal to one-third of the annual budget for current expenses, \$23,048 in 2013.

4. LEASE AGREEMENTS:

Airport facilities are leased primarily to the signatory airlines under agreements having terms of twenty-five or thirty years. Fees and charges under these agreements are computed in a manner designed to recover the cost of operating the Airport. Provisions in these agreements give the airlines the right to approve future expansion of the Airport Facilities and any issuance of new debt affecting the fees and charges to the airlines. Other provisions insure that sufficient fees and charges will be collected to meet Airport debt service requirements. In addition, the agreements provide for a distribution to the airlines of a portion of the non-airline terminal revenues.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

The City has entered into a Special Facility lease agreement with US Airways Group, Inc. for land and a Special Facility. The Special Facility includes an aircraft hangar, a ground services equipment building and other facilities. The lease terminates thirty years from the date of beneficial occupancy, which was March 1987. Fees and charges under this agreement are computed in a manner designed to recover all principal, interest and expenses related to bonds issued for the construction of the Special Facility, all services rendered and expenses incurred for operation and maintenance of the leased premises and a ground rental fee.

The following is a schedule of minimum future rental income on noncancelable operating leases subsequent to June 30, 2013:

2014	\$ 35,911
2015	36,014
2016	30,384
2017	29,322
2018	29,428
2019-2023	35,283
2024-2028	<u>147,785</u>
Total minimum future rental income	<u>\$ 344,127</u>

Of the \$344,127 minimum future rental income on noncancelable operating leases, \$264,309 relates to agreements with US Airways, Inc. See Note 9 for additional information related to US Airways, Inc.

Contingent rentals that may be received under certain leases based on the tenant's revenues, fuel flow or usage are not included above. Contingent rentals of approximately \$62,874 were received during the year ended June 30, 2013.

5. TRANSACTIONS WITH THE CITY OF CHARLOTTE:

Expenses include certain costs charged the Airport by other funds of the City. These charges are as follows:

Administrative and other City services	\$ 5,903
Crash, fire and rescue services	<u>4,557</u>
	<u>\$ 10,460</u>

6. PENSION PLAN AND OTHER BENEFITS:

a. North Carolina Local Governmental Employees' Retirement System (LGERS)

The Airport, as an enterprise fund of the City, contributes to the LGERS, a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the North Carolina Office of the State Controller, Accounting and Financial Reporting Section, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

Plan members are required to contribute 6.0 percent of their annual covered salary. The Airport is required to contribute at an actuarially determined rate. For the Airport, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74 percent and 6.77 percent, respectively, of annual covered payroll. The contribution requirements of members and of the Airport are established and may be amended by the North Carolina General Assembly. The Airport's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,042, \$1,055 and \$923, respectively. The contributions made by the Airport equaled the required contributions for each year.

b. Other Postemployment Benefits

The Airport, as an enterprise fund of the City, participates in the City of Charlotte Employee Benefit Trust Plan (EBTP), a single-employer defined benefit healthcare plan administered by the City of Charlotte. The EBTP provides health and welfare benefit plans for the benefit of eligible retired employees of the City. Section 4.05 of the Charlotte City Code assigns the authority to establish benefit provisions for EBTP to the City Council. The EBTP is included in the Comprehensive Annual Financial Report (CAFR) for the City of Charlotte. The City's CAFR includes financial statements and required supplementary information for EBTP. That report may be obtained by writing to City of Charlotte, Finance Department – Financial Reporting, Charlotte-Mecklenburg Government Center, 600 East Fourth Street, 10th Floor, Charlotte, North Carolina 28202-2848.

The contribution requirements of plan members and the City are established and may be amended by the City Council. For retired employees, the City Council set the employer contribution rate to contribute the projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually. The Airport's contributions to EBTP for the year ended June 30, 2013 were \$416. Amounts previously contributed to prefund benefits are shown as a noncurrent asset on the Statement of Net Position.

7. INSURANCE:

a. Employee Health and Life

The City provides health and life benefits to employees and retirees. Private companies administer these benefits pursuant to administrative services agreements. The City maintains insurance coverage with private carriers for life claims, vision claims, and excess coverage for health claims in excess of \$400 per year per person.

The Airport participates in the City's employee health and life insurance program which is accounted for in the Employee Health and Life Insurance Fund (EHLIF), an internal service fund, of the City. The Airport makes payments to the EHLIF for both an amount per employee and a proportionate share of the administrative cost. The amount per employee is based on actuarial estimates of amounts needed to pay prior and current year claims. The employees and retirees contribute a portion of the cost for health coverage. The City provides life insurance for employees in the amount of two times the employees' salary up to a maximum of \$200. Employees may purchase additional life insurance up to a maximum of four times their salary. The Airport made payments to the EHLIF for the year ended June 30, 2013 in the amount of \$2,018.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

b. Risk Management

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport participates in the risk management program of the City. The City has a Risk Management Fund (RMF), an internal service fund, to account for and finance its insured and uninsured risks of loss. Currently, insurance coverage is purchased for excess property damage for buildings and contents, excess workers' compensation, excess vehicle and general liability, and airport liability. Insurance coverage includes vehicle and general liability claims in excess of \$2,000 but less than \$22,000 per occurrence, workers' compensation claims in excess of \$2,000, property damage claims in excess of \$100 and flood insurance \$100,000 in all flood zones, except \$10,000 in flood zone A in excess of federal flood program maximums. The finance officer is bonded for \$100. Employees who handle funds or have access to inventories are bonded under a blanket bond for \$250. Settled claims have not exceeded insurance coverage in the past three years. The actuarially determined losses for the remaining risks and deductible amounts are funded in the RMF. The Airport makes payments to the RMF based on historical cost information or actuarial estimates of the amounts needed to pay prior and current year claims and establish a reserve for catastrophic losses. The Airport made payments to the RMF for the year ended June 30, 2013 in the amount of \$1,581.

8. COMMITMENTS AND CONTINGENCIES:

Noise litigation suits have been filed against the City in connection with the operation of the Airport. In the opinion of the City's attorney and management, the ultimate outcome of the suits is not expected to have a significant impact upon the financial position or results of operations of the Airport.

The Airport has received a number of federal and state grants for specific purposes that are subject to review by the grantor agencies. Such reviews could lead to requests for reimbursement to the grantor agencies for expenditures disallowed under terms of the grants. The City management believes that such disallowances, if any, would not be significant.

The Airport has authorized capital projects at June 30, 2013 as follows:

Project Authorization	\$ 1,057,406
Expended	<u>758,644</u>
Unexpended	<u>\$ 298,762</u>

The Airport has construction and other contractual commitments of approximately \$198 million at June 30, 2013.

9. MAJOR CUSTOMER:

US Airways, Inc. (US Airways), a wholly owned subsidiary of US Airways Group, Inc., is the major passenger airline serving Charlotte/Douglas International Airport (Airport). For the fiscal year ended June 30, 2013, US Airways and its affiliates provided 25.85 percent of the Airport's operating revenues.

US Airways conducts its passenger air carrier operations at the Airport pursuant to several agreements, the most significant of which is the City of Charlotte's 1985 Airport Agreements and Lease (Airport Agreement), which has also been executed by American Airlines, Continental Airlines, Delta Air Lines, Northwest Airlines, and United Airline (collectively, the Signatory Airlines). Pursuant to the Airport Agreement, the Signatory Airlines lease certain premises in the passenger terminal building (terminal) and are obligated to pay landing fees and terminal rentals which, in the aggregate, are sufficient to enable the City to pay the annual operating expenses of the airfield and terminal, and the annual debt service on General Airport Revenue Bonds (GARBS) issued by the City to fund airfield and terminal improvements.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

As of June 30, 2013, the City had \$663,000 of GARBS outstanding, the proceeds of which were used for airfield and terminal improvements. The GARBS are not general obligations of the City and are payable solely from revenues generated by the City in the airfield and terminal. The City has \$35,051 in reserve to pay principal and interest on GARBS.

In addition to the GARBS, the City has also issued Special Facility Revenue Bonds to finance the construction of crew training, airfield maintenance and other Airport facilities (Special Facilities) that are leased to US Airways by the City. As rental for the Special Facilities, US Airways is obligated to pay directly to the City a Ground Rental and an Airport Service Fee Rental. In addition, US Airways is obligated to pay directly to a Trustee for the benefit of bondholders a facility rental (Special Facilities Debt Service Rental) in an amount equal to the annual installments of principal and interest on the Special Facility Revenue Bonds. The Special Facilities Debt Service Rental is not a general obligation of the City. If US Airways fails to pay the Special Facilities Debt Service Rentals, the City is obligated to use reasonable efforts to re-let the Special Facilities to another tenant and apply the debt service rentals from such re-letting to the payment of the principal and interest on the Special Facility Revenue Bonds. The City is not obligated to make any payments relating to the Special Facilities or the Special Facility Revenue Bonds except for such debt service rentals as it receives from the tenant of the Special Facilities. As of June 30, 2013, there was \$175,205 of Special Facility Revenue Bonds outstanding. The Special Facility Revenue Bonds provide for the semi-annual payment of interest with a lump-sum payment of principal on the maturity date of the bonds. The Special Facility Revenue Bonds mature on July 1, 2027 and February 1, 2028.

10. AIRPORT COMMISSION

On July 26, 2013, Senate Bill 380 was enacted into law by the North Carolina General Assembly. The legislation would create the Charlotte Douglas International Airport Commission (the "*Airport Commission*"). The Airport Commission would be an agency of the City and composed of thirteen members that would be appointed as follows: three by the Mayor of the City, four by the City Council, and one by each of the Boards of Commissioners of Mecklenburg County, Cabarrus County, Gaston County, Iredell County, Lincoln County and Union County. The Airport Commission would be responsible for operating the Airport. The City would be responsible for the issuance of revenue or refunding revenue bonds with respect to the Airport.

The City challenged the legislation's validity under the State constitution and challenged the State's authority to create the Airport Commission. On August 1, 2013 a Superior Court judge in Mecklenburg County (NC) granted an injunction blocking transfer of control of the Airport to the Airport Commission pending approval of or issuance of an operating certificate to the Airport Commission by the Federal Aviation Administration (the "*FAA*"). On September 26, 2013, the FAA issued a letter stating that prior to being able to make a final ruling on the approval of or issuance of an operating certificate to the Airport Commission, the Superior Court must further clarify whether the Airport Commission or the City would act as the sponsor of the operating certificate. On November 1, 2013 a hearing before a Mecklenburg County (NC) Superior Court judge retained operational control of the Airport with the City of Charlotte.

The City cannot predict the impact the legislation or the Airport Commission might have on the City or the Airport.

CITY OF CHARLOTTE AIRPORT
NOTES TO THE FINANCIAL STATEMENTS – (Continued)
JUNE 30, 2013
(Dollar Amounts In Thousands)

11. DEBT SERVICE COVERAGE:

The 1985 Revenue Bond Order provided that Revenues pledged under the Bond Order be sufficient to meet Revenue Bond Debt Service, current expenses, and other required deposits to funds and accounts established by the Bond Order. Net Revenues for calculation of coverage as defined by the 1985 Bond Order are determined as follows:

Revenues	
Operating revenues	\$ 144,894
Nonoperating revenues	(201)
Bond cushion	<u>12,101</u>
Total revenues	156,794
Application of revenues	<u>(71,736)</u>
Net revenues available for revenue bond debt service (1)	<u>\$ 85,058</u>
Requirement for Revenue Bond Fund (2)	<u>\$ 26,071</u>
Debt Service Coverage (1)/(2)	3.3

11. PASSENGER FACILITY CHARGES:

The Federal Aviation Administration (FAA) authorized the Airport to collect Passenger Facility Charges (PFC) of \$3 per qualifying enplaned passenger commencing November 1, 2004. The net receipts from PFC are accounted for on the accrual basis of accounting and are restricted to use on FAA approved projects. The Airport has been authorized to collect PFC in the aggregate amount of \$1,036,776. Collections during fiscal year 2013 were \$56,111 and aggregate collections from inception through June 30, 2013 were \$412,264.

12. TRANSFERS OUT TO OTHER CITY FUNDS:

The Airport, as an enterprise fund of the City, transferred \$1,127 to the City of Charlotte's Capital Projects fund for the Airport's proportionate share of a project to implement an enterprise resource planning (ERP) system. The ERP project will benefit all funds of the City, including the Airport.

13. CHANGE IN ACCOUNTING PRINCIPLE – GASB STATEMENTS 63 AND 65

The City implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement 65, Items Previously Reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB 65 requires that deferred costs from refunding of debt, which were previously deferred and amortized, be presented as deferred inflows of resources. The statement also requires that bond issuance costs which were previously deferred and amortized, be expensed in the year they occurred. The net position of the Airport has been restated in the amount of \$14,726.

ADDITIONAL INFORMATION

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CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CHANGE IN NET POSITION - INCLUDED AND EXCLUDED CENTERS
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Included Centers</u>	<u>Excluded Centers</u>	<u>Total</u>
OPERATING REVENUES:			
Terminal area	\$ 30,878	\$ 110	\$ 30,988
Airfield	20,207	1,995	22,202
Concessions	47,058	(2)	47,056
Parking	42,486	-	42,486
Maintenance facility	-	7,066	7,066
Other	<u>4,265</u>	<u>24,157</u>	<u>28,422</u>
Total operating revenues	<u>144,894</u>	<u>33,326</u>	<u>178,220</u>
OPERATING EXPENSES:			
Terminal area	46,070	1,040	47,110
Services facility	17,221	-	17,221
Public airfield facilities	4,552	-	4,552
Fixed base operator area	-	16,870	16,870
Cargo area	-	2,105	2,105
Depreciation	<u>-</u>	<u>38,317</u>	<u>38,317</u>
Total operating expenses	<u>67,843</u>	<u>58,332</u>	<u>126,175</u>
Operating income (loss)	<u>77,051</u>	<u>(25,006)</u>	<u>52,045</u>
NONOPERATING REVENUES (EXPENSES):			
Passenger facility charges	-	56,111	56,111
Contract facility charges	-	9,543	9,543
Investment earnings	(201)	(461)	(662)
Interest expense and other charges	(22,911)	(7,177)	(30,088)
Non-airline terminal revenue distribution	(16,041)	-	(16,041)
Miscellaneous	<u>-</u>	<u>(4,143)</u>	<u>(4,143)</u>
Total nonoperating revenues (expenses)	<u>(39,153)</u>	<u>53,873</u>	<u>14,720</u>
Income before contributions and transfers	37,898	28,867	66,765
CAPITAL CONTRIBUTIONS	-	40,475	40,475
TRANSFERS OUT TO OTHER CITY FUNDS (Note 12)	<u>-</u>	<u>(1,127)</u>	<u>(1,127)</u>
Change in net position	<u>\$ 37,898</u>	<u>\$ 68,215</u>	<u>\$ 106,113</u>

Note: The Schedule of Change in Net Position identifies current year activity in included centers and excluded centers. Included centers are cost centers for the Terminal complex and Public Aircraft Facilities. Excluded centers are cost centers for those areas and parts of the Airport other than included centers, primarily cargo and fixed base operators. The 1985 Revenue Bond Order established included and excluded centers. Included center revenues are used for debt service expenditures except for debt service expenditures for the Special Facilities Revenue Bonds which are retired from debt service rentals as described in Note 3 to the Financial Statements.

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FUNDS HELD BY CITY
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Revenue Fund	Operating Fund	Operating Fund Reserve	Renewal and Improvement Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Beginning balance	\$ 66,277	\$ -	\$ 20,105	\$ 1,500
Deposits:				
Operating revenue	141,603	-	-	-
PFC revenue	-	-	-	-
CFC revenue	-	-	-	-
Investment earnings	526	-	-	-
Interfund transfers	654	68,612	2,893	-
Transfers from capital project	-	-	-	-
Transfers from trustee	24	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deposits	142,807	68,612	2,893	-
Withdrawals:				
Operating expense	-	68,612	-	-
Interfund transfers	105,925	-	-	-
Transfers to capital project	-	-	-	-
Transfers to trustee	26,102	-	-	-
Distribution to airlines of 40 percent share of excess non-airline terminal revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total withdrawals	132,027	68,612	-	-
Ending balance	<u>\$ 77,057</u>	<u>\$ -</u>	<u>\$ 22,998</u>	<u>\$ 1,500</u>

<u>Discretionary Fund</u>	<u>PFC Fund</u>	<u>CFC Fund</u>	<u>Total</u>
\$ 228,269	\$ 209,534	\$ 20,331	\$ 546,016
-	-	-	141,603
-	51,662	-	51,662
-	-	(315)	(315)
1,174	1,050	99	2,849
34,420	-	-	106,579
7,368	-	-	7,368
<u>-</u>	<u>-</u>	<u>1,644</u>	<u>1,668</u>
42,962	52,712	1,428	311,414
-	-	-	68,612
654	-	-	106,579
85,073	240	1,496	86,809
-	23,172	11	49,285
<u>13,768</u>	<u>-</u>	<u>-</u>	<u>13,768</u>
<u>99,495</u>	<u>23,412</u>	<u>1,507</u>	<u>325,053</u>
<u>\$ 171,736</u>	<u>\$ 238,834</u>	<u>\$ 20,252</u>	<u>\$ 532,377</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1987 SPECIAL FACILITY REVENUE BOND ORDER
FOR THE 1998 REFUNDING BONDS - REFUNDING BOND FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Interest Account</u>
Beginning balance	\$ 2,402
Deposits:	
Payments from US Airways Group, Inc.	4,822
Withdrawals:	
Interest	4,816
Other debt expenditures	<u>6</u>
Total withdrawals	<u>4,822</u>
Ending balance	<u>\$ 2,402</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1987 SPECIAL FACILITY REVENUE BOND ORDER
FOR THE 2000 SPECIAL FACILITY REVENUE BONDS - REVENUE BOND FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Interest Account</u>
Beginning balance	\$ -
Deposits:	
Payments from US Airways Group, Inc.	2,244
Withdrawals:	
Interest	2,241
Other debt expenditures	<u>3</u>
Total withdrawals	<u>2,244</u>
Ending balance	<u>\$ -</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2004 AIRPORT REVENUE BONDS - REVENUE BOND FUNDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Series A	Series B		Total
	Interest Account	Interest Account	Principal Account	
Beginning balance	\$ 2,175	\$ 1,181	\$ 3,137	\$ 6,493
Deposits:				
Transfers from City	4,355	2,199	3,300	9,854
Investment earnings	<u>1</u>	<u>-</u>	<u>2</u>	<u>3</u>
Total deposits	4,356	2,199	3,302	9,857
Withdrawals:				
Interest	4,347	2,278	-	6,625
Principal	-	-	3,135	3,135
Other debt expenditures	8	3	-	11
Transfers to City	<u>1</u>	<u>1</u>	<u>2</u>	<u>4</u>
Total withdrawals	<u>4,356</u>	<u>2,282</u>	<u>3,137</u>	<u>9,775</u>
Ending balance	<u>\$ 2,175</u>	<u>\$ 1,098</u>	<u>\$ 3,302</u>	<u>\$ 6,575</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2004 AIRPORT REVENUE BONDS - CONSTRUCTION FUNDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Series B</u>	<u>Series D</u>	<u>Total</u>
Beginning balance	\$ 11,799	\$ 3,270	\$ 15,069
Deposits:			
Investment earnings	<u>2</u>	<u>1</u>	<u>3</u>
Ending balance	<u>\$ 11,801</u>	<u>\$ 3,271</u>	<u>\$ 15,072</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2007 AIRPORT REVENUE BONDS - REVENUE BOND FUNDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Series A		Series B		Total
	Interest Account	Principal Account	Interest Account	Principal Account	
Beginning balance	\$ 2,199	\$ 1,967	\$ -	\$ 615	\$ 4,781
Deposits:					
Transfers from City	4,321	2,045	120	605	7,091
Reimbursement from City	-	-	-	1,745	1,745
Investment earnings	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total deposits	4,322	2,046	120	2,350	8,838
Withdrawals:					
Interest	4,358	-	41	-	4,399
Principal	-	1,965	-	2,360	4,325
Other debt expenditures	2	-	75	-	77
Transfers to City	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total withdrawals	<u>4,361</u>	<u>1,967</u>	<u>116</u>	<u>2,360</u>	<u>8,804</u>
Ending balance	<u>\$ 2,160</u>	<u>\$ 2,046</u>	<u>\$ 4</u>	<u>\$ 605</u>	<u>\$ 4,815</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2007 AIRPORT REVENUE BONDS - CONSTRUCTION FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Series A</u>
Beginning balance	\$ 17,599
Deposits:	
Investment earnings	8
Withdrawals:	
Construction expense	<u>842</u>
Ending balance	<u>\$ 16,765</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2008D AIRPORT REFUNDING BONDS - REFUNDING BOND FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Interest Account</u>	<u>Principal Account</u>	<u>Reserve Account</u>	<u>Total</u>
Beginning balance	\$ -	\$ 410	\$ 3,130	\$ 3,540
Deposits:				
Transfers from City	331	430	-	761
Investment earnings	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total deposits	331	430	1	762
Withdrawals:				
Interest	63	-	-	63
Principal	-	410	-	410
Other debt expenditures	<u>262</u>	<u>-</u>	<u>-</u>	<u>262</u>
Total withdrawals	<u>325</u>	<u>410</u>	<u>-</u>	<u>735</u>
Ending balance	<u>\$ 6</u>	<u>\$ 430</u>	<u>\$ 3,131</u>	<u>\$ 3,567</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2009B AIRPORT REFUNDING BONDS - REFUNDING BOND FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Interest Account</u>	<u>Principal Account</u>	<u>Reserve Account</u>	<u>Total</u>
Beginning balance	\$ 839	\$ 6,951	\$ 5,394	\$ 13,184
Deposits:				
Transfers from City	1,332	7,290	-	8,622
Investment earnings	<u>-</u>	<u>4</u>	<u>2</u>	<u>6</u>
Total deposits	1,332	7,294	2	8,628
Withdrawals:				
Interest	1,499	-	-	1,499
Principal	-	6,945	-	6,945
Other debt expenditures	7	-	-	7
Transfers to City	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>
Total withdrawals	<u>1,506</u>	<u>6,951</u>	<u>-</u>	<u>8,457</u>
Ending balance	<u>\$ 665</u>	<u>\$ 7,294</u>	<u>\$ 5,396</u>	<u>\$ 13,355</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2010A AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Revenue Bond Fund				Total
	Interest Account	Principal Account	Reserve Account	Construction Account	
Beginning balance	\$ 3,133	\$ 2,282	\$ 9,008	\$ 22,906	\$ 37,329
Deposits:					
Transfers from City	6,180	2,375	-	-	8,555
Investment earnings	<u>1</u>	<u>1</u>	<u>2</u>	<u>11</u>	<u>15</u>
Total deposits	6,181	2,376	2	11	8,570
Withdrawals:					
Construction expense	-	-	-	1,916	1,916
Interest	6,218	-	-	-	6,218
Principal	-	2,280	-	-	2,280
Other debt expenditures	8	-	-	-	8
Transfers to City	<u>1</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>4</u>
Total withdrawals	<u>6,227</u>	<u>2,282</u>	<u>1</u>	<u>1,916</u>	<u>10,426</u>
Ending balance	<u>\$ 3,087</u>	<u>\$ 2,376</u>	<u>\$ 9,009</u>	<u>\$ 21,001</u>	<u>\$ 35,473</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2010B AIRPORT REFUNDING BONDS - REFUNDING BOND FUND
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	<u>Interest Account</u>	<u>Principal Account</u>	<u>Reserve Account</u>	<u>Total</u>
Beginning balance	\$ 1,500	\$ 2,752	\$ 5,753	\$ 10,005
Deposits:				
Transfers from City	2,924	2,830	-	5,754
Investment earnings	<u>1</u>	<u>2</u>	<u>2</u>	<u>5</u>
Total deposits	2,925	2,832	2	5,759
Withdrawals:				
Interest	2,958	-	-	2,958
Principal	-	2,750	-	2,750
Other debt expenditures	7	-	-	7
Transfers to City	<u>1</u>	<u>2</u>	<u>1</u>	<u>4</u>
Total withdrawals	<u>2,966</u>	<u>2,752</u>	<u>1</u>	<u>5,719</u>
Ending balance	<u>\$ 1,459</u>	<u>\$ 2,832</u>	<u>\$ 5,754</u>	<u>\$ 10,045</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2010C AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Revenue Bond Fund				Total
	Interest Account	Principal Account	Reserve Account	Construction Account	
Beginning balance	\$ -	\$ 440	\$ 1,861	\$ 36	\$ 2,337
Deposits:					
Transfers from City	305	465	-	-	770
Withdrawals:					
Construction expense	-	-	-	36	36
Interest	36	-	-	-	36
Principal	-	440	-	-	440
Other debt expenditures	<u>265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265</u>
Total withdrawals	<u>301</u>	<u>440</u>	<u>-</u>	<u>36</u>	<u>777</u>
Ending balance	<u>\$ 4</u>	<u>\$ 465</u>	<u>\$ 1,861</u>	<u>\$ -</u>	<u>\$ 2,330</u>

CITY OF CHARLOTTE AIRPORT

**SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2011A AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)**

	Revenue Bond Fund				Total
	Interest Account	Principal Account	Reserve Account	Construction Account	
Beginning balance	\$ 2,241	\$ 870	\$ 4,830	\$ 67,066	\$ 75,007
Deposits:					
Transfers from City	3,468	1,365	-	-	4,833
Investment earnings	<u>1</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>33</u>
Total deposits	3,469	1,365	-	32	4,866
Withdrawals:					
Construction expense	-	-	-	12,467	12,467
Interest	3,971	-	-	-	3,971
Principal	-	870	-	-	870
Other Debt Expenditures	8	-	-	-	8
Transfers to City	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total withdrawals	<u>3,979</u>	<u>870</u>	<u>2</u>	<u>12,467</u>	<u>17,318</u>
Ending balance	<u>\$ 1,731</u>	<u>\$ 1,365</u>	<u>\$ 4,828</u>	<u>\$ 54,631</u>	<u>\$ 62,555</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2011B AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Revenue Bond Fund					Total
	Interest Account	Principal Account	Reserve Account	Cost of Issuance Account	Construction Account	
Beginning balance	\$ 1,029	\$ 385	\$ 2,201	\$ 19	\$ 9,180	\$ 12,814
Deposits:						
Transfers from City	1,596	610	-	-	-	2,206
Investment earnings	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>4</u>
Total deposits	1,597	610	-	-	3	2,210
Withdrawals:						
Construction expense	-	-	-	-	3,876	3,876
Interest	1,824	-	-	-	-	1,824
Principal	-	385	-	-	-	385
Cost of issuance	-	-	-	2	-	2
Other debt expenditures	7	-	-	-	-	7
Transfers to City	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total withdrawals	<u>1,831</u>	<u>385</u>	<u>1</u>	<u>2</u>	<u>3,876</u>	<u>6,095</u>
Ending balance	<u>\$ 795</u>	<u>\$ 610</u>	<u>\$ 2,200</u>	<u>\$ 17</u>	<u>\$ 5,307</u>	<u>\$ 8,929</u>

CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 1985 REVENUE BOND ORDER
FOR THE 2011C AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

	Revenue Bond Fund				Total
	Interest Account	Principal Account	Reserve Account	Construction Account	
Beginning balance	\$ -	\$ 350	\$ 1,856	\$ 1,541	\$ 3,747
Deposits:					
Transfers from City	264	555	-	-	819
Investment earnings	-	-	-	1	1
Total deposits	264	555	-	1	820
Withdrawals:					
Construction expense	-	-	-	466	466
Interest	49	-	-	-	49
Principal	-	350	-	-	350
Other debt expenditures	210	-	-	-	210
Total withdrawals	259	350	-	466	1,075
Ending balance	\$ 5	\$ 555	\$ 1,856	\$ 1,076	\$ 3,492

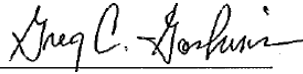
CITY OF CHARLOTTE AIRPORT
SCHEDULE OF CASH DEPOSITS AND WITHDRAWALS FROM FUNDS AND ACCOUNTS
ESTABLISHED BY THE 2011 REVENUE BOND ORDER
FOR THE 2011CFC AIRPORT REVENUE BONDS
FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED JUNE 30, 2013
(In Thousands)

Revenue Bond Fund

	Interest Account	Principal Account	Reserve Account	Revenue Account	Rolling Coverage Account	Supplemental Reserve Account	Construction Account	Total
Beginning balance	\$ 2,199	\$ 259	\$ 4,451	\$ 1,644	\$ 1,112	\$ 2,225	\$ 48,220	\$ 60,110
Deposits:								
CFC revenues	-	-	-	9,855	-	-	-	9,855
Transfers from City	20	-	-	-	-	-	-	20
Intrafund transfers	3,412	388	-	-	-	-	-	3,800
Investment earnings	1	-	-	-	-	-	22	23
Total deposits	3,433	388	-	9,855	-	-	22	13,698
Withdrawals:								
Construction expense	-	-	-	-	-	-	11,364	11,364
Interest	3,905	-	-	-	-	-	-	3,905
Intrafund transfers	-	-	-	3,800	-	-	-	3,800
Other debt expenditures	20	-	-	-	-	-	-	20
Transfers to City	-	-	-	1,644	-	-	-	1,644
Total withdrawals	3,925	-	-	5,444	-	-	11,364	20,733
Ending balance	\$ 1,707	\$ 647	\$ 4,451	\$ 6,055	\$ 1,112	\$ 2,225	\$ 36,878	\$ 53,075

**CITY OF CHARLOTTE AIRPORT
CERTIFICATION OF CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED JUNE 30, 2013**

1. As of June 30, 2013 none of the covenants or agreements contained in the 1985 Revenue Bond Order or the 1987 Special Facility Revenue Bond Order were violated.
2. During the period July 1, 2012 to June 30, 2013 no default, as defined in the 1985 Revenue Bond Order or the 1987 Special Facility Revenue Bond Order, occurred.



Greg C. Gaskins
Chief Financial Officer

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