



AGENDA

Asheville Regional Airport Authority Regular Meeting
Friday, December 12, 2008, 8:30 a.m.
Conference Room at Administrative Offices

* NOTE TO ALL PUBLIC ATTENDEES:

The public may speak on any item on the agenda. There are request cards located outside the public seating area. These cards must be completed and presented to the Recording Secretary prior to the item being heard. Your comments will be addressed prior to the Board's discussion and you will have 5 minutes to address the Board. Thank you for your attention.

- I. CALL TO ORDER:
- II. APPEARANCES: None
- III. PRESENTATIONS:
 - A. Asheville Regional Airport Airspace Change Proposal ([document](#))
- IV. CONSENT AGENDA:
 - A. Approval of the Asheville Regional Airport Authority October 10, 2008 Regular Meeting Minutes ([document](#))
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Asheville Regional Airport Authority 2007/2008 Annual Audit Acceptance ([document](#))
 - B. Authorization to Establish Conservation Easements on Airport Property Bordering the French Broad River ([document](#))
 - C. Award of Display Advertising Concession Management Agreement ([document](#))



VII. DIRECTOR'S REPORT:

- A. Upcoming Airport Conferences/Meetings
- B. Update on Airport Smoking Area Changes
- C. Airport Traffic Statistics
- D. New Report in Financial Report
- E. Delta Airlines Lease Assumption and Relocation
- F. Terminal Ribbon Cutting and Community Event
- G. Business Forum and Frequent Parker Program Update (Patti Michel)

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address any questions the Board may have.)

- A. October, 2008 Traffic Report ([document](#))
- B. October, 2008 Monthly Financial Report ([document](#))
- C. December, 2008 Marketing and Public Relations Report ([document](#))
- D. December, 2008 Development/Project Status Report ([document](#))
- E. Potential Board Items for the Next Regular Scheduled Meeting:
 - None identified at this time.

IX. AUTHORITY MEMBERS REPORTS:

X. PUBLIC AND TENANTS' COMMENTS:

XI. CLOSED SESSION: None

XII. ADJOURNMENT.



Respectfully submitted,

David N. Edwards, Jr., A.A.E.
Airport Director

Approved:

David Hillier
Chairman

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MEMORANDUM

TO: Members of the Airport Authority

FROM: David N. Edwards, Jr., A.A.E.

DATE: December 12, 2008

ITEM DESCRIPTION – Presentation Item A

AVL Airspace Change Proposal - Presentation

BACKGROUND

The Federal Aviation Administration (the "FAA") controls the airspace above and around the majority of the nation's airports. Airspace is divided into several classifications, with Classes B, C, and D specifically for airports. Class B is for the busiest airports. Class C is for airports with Operational control towers, radar approach control and based on a certain number of instrument flights and/or passenger enplanements. Class D is usually for the smaller airports that have an operational control tower. Asheville is controlled under Class C airspace.

The FAA is proposing modifications to Asheville's Class C airspace to fully encompass Runway 16-34's instrument approach glideslopes.

The FAA has conducted several focus group meetings, and held a public meeting for the aviation community on the affects of this proposed airspace change.

Mr. Grey Pelkey, Air Traffic Manager – Asheville Air Traffic Control Tower, will provide a presentation explaining AVL's current airspace configuration and the FAA's proposed changes.

AVL Class C Surface Area

Change Proposal

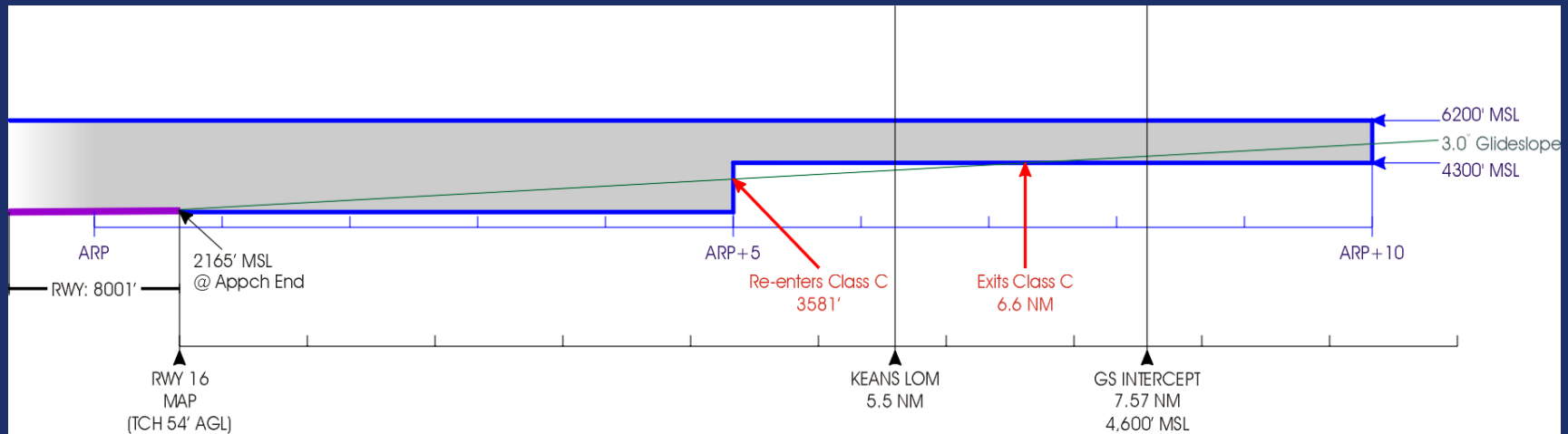
Asheville ATCT, Fletcher North Carolina



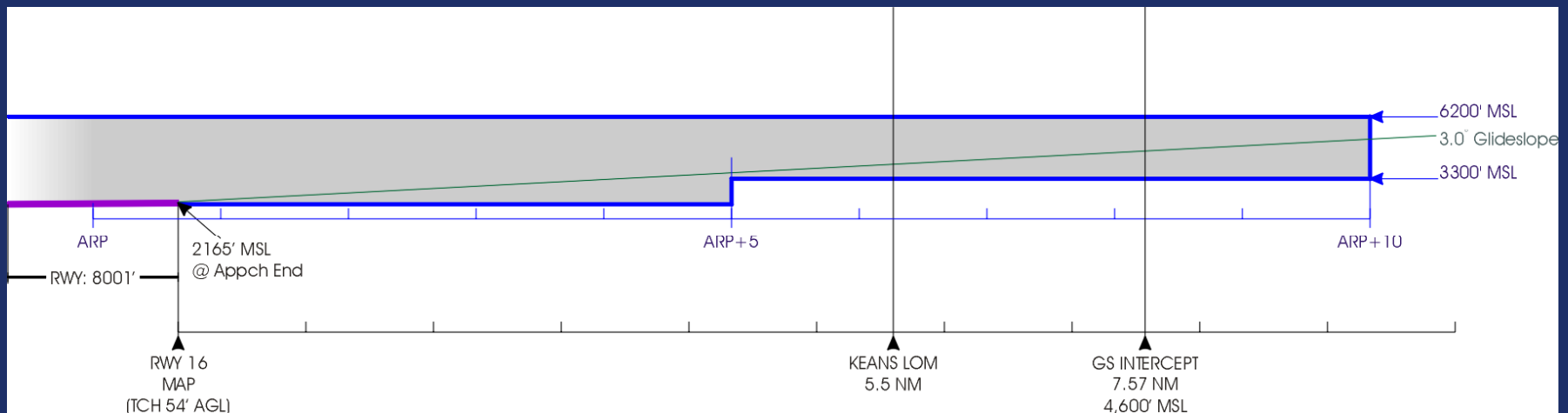
Federal Aviation
Administration



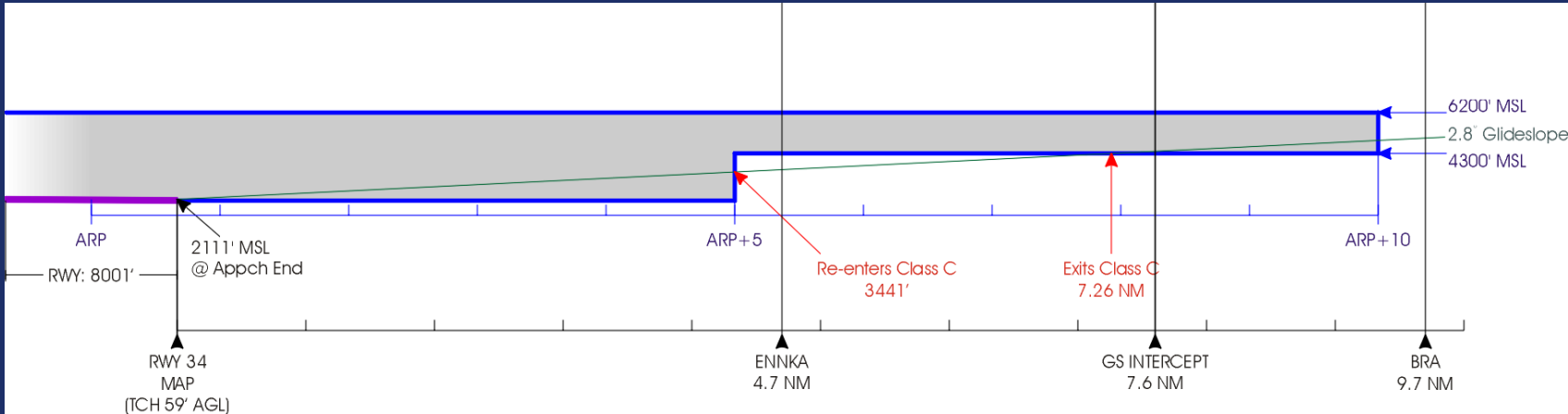
Current AVL Class C – Profile View RWY 16



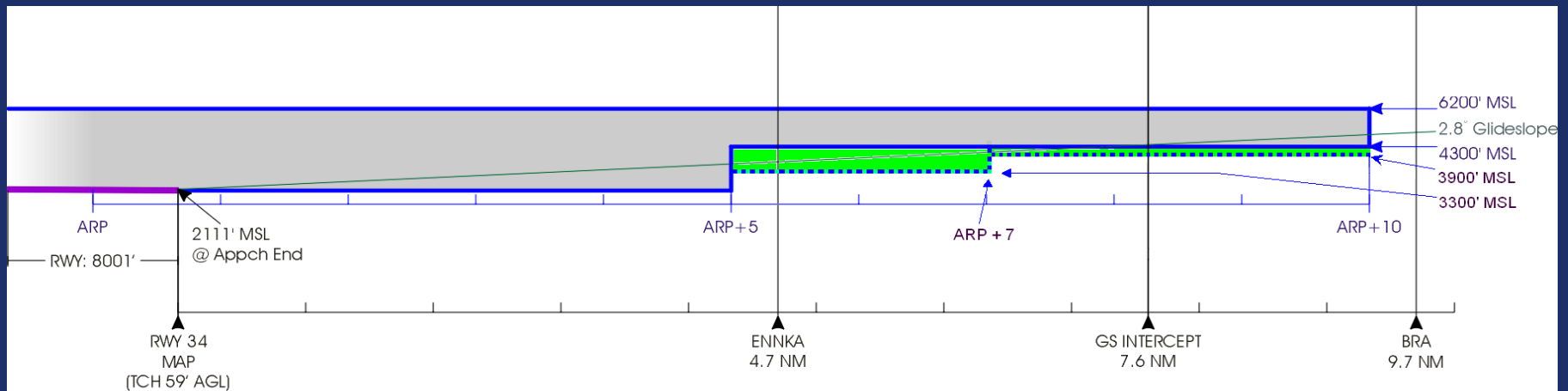
Proposed AVL Class C – Profile View RWY 16



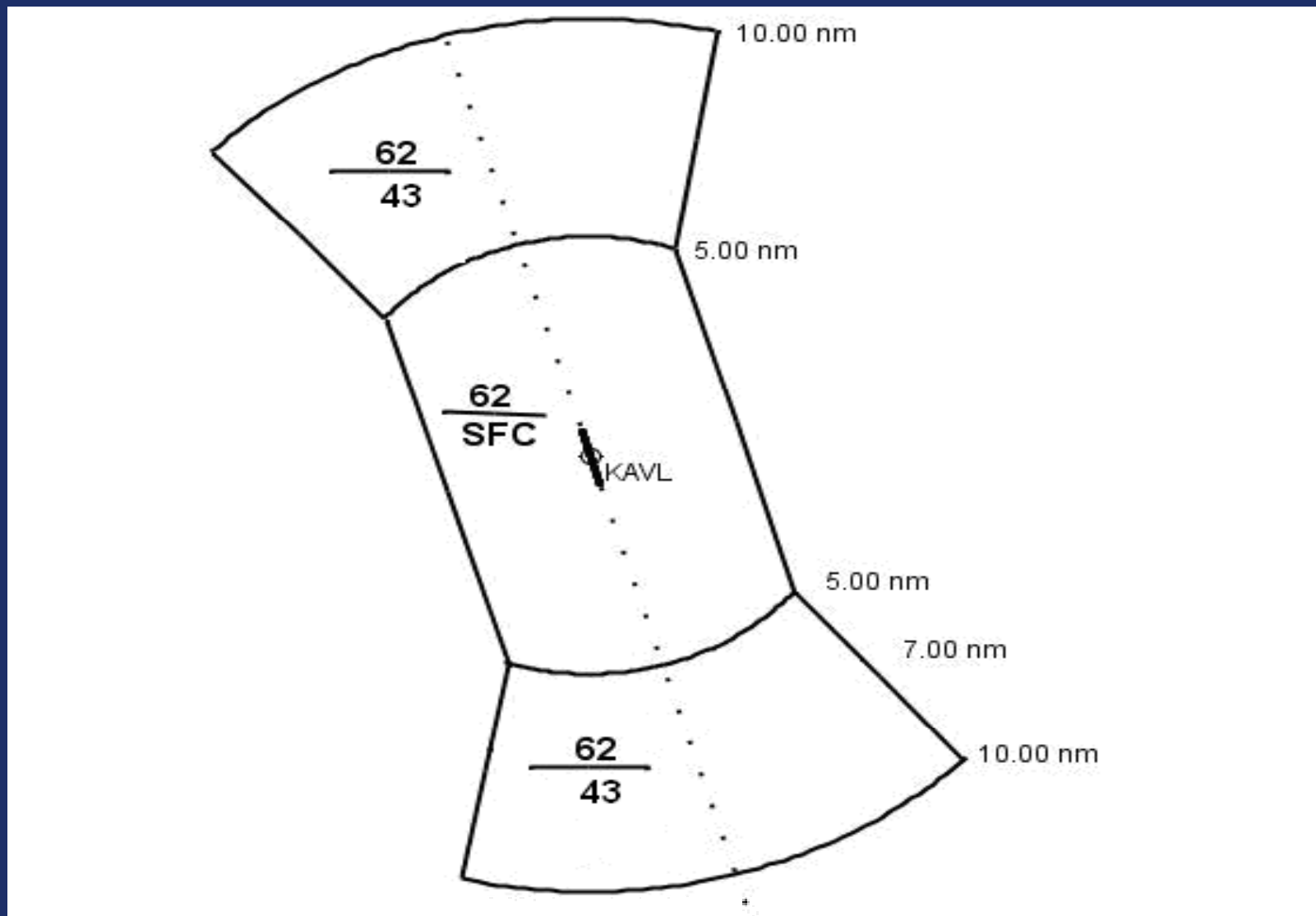
Current AVL Class C – Profile View RWY 34



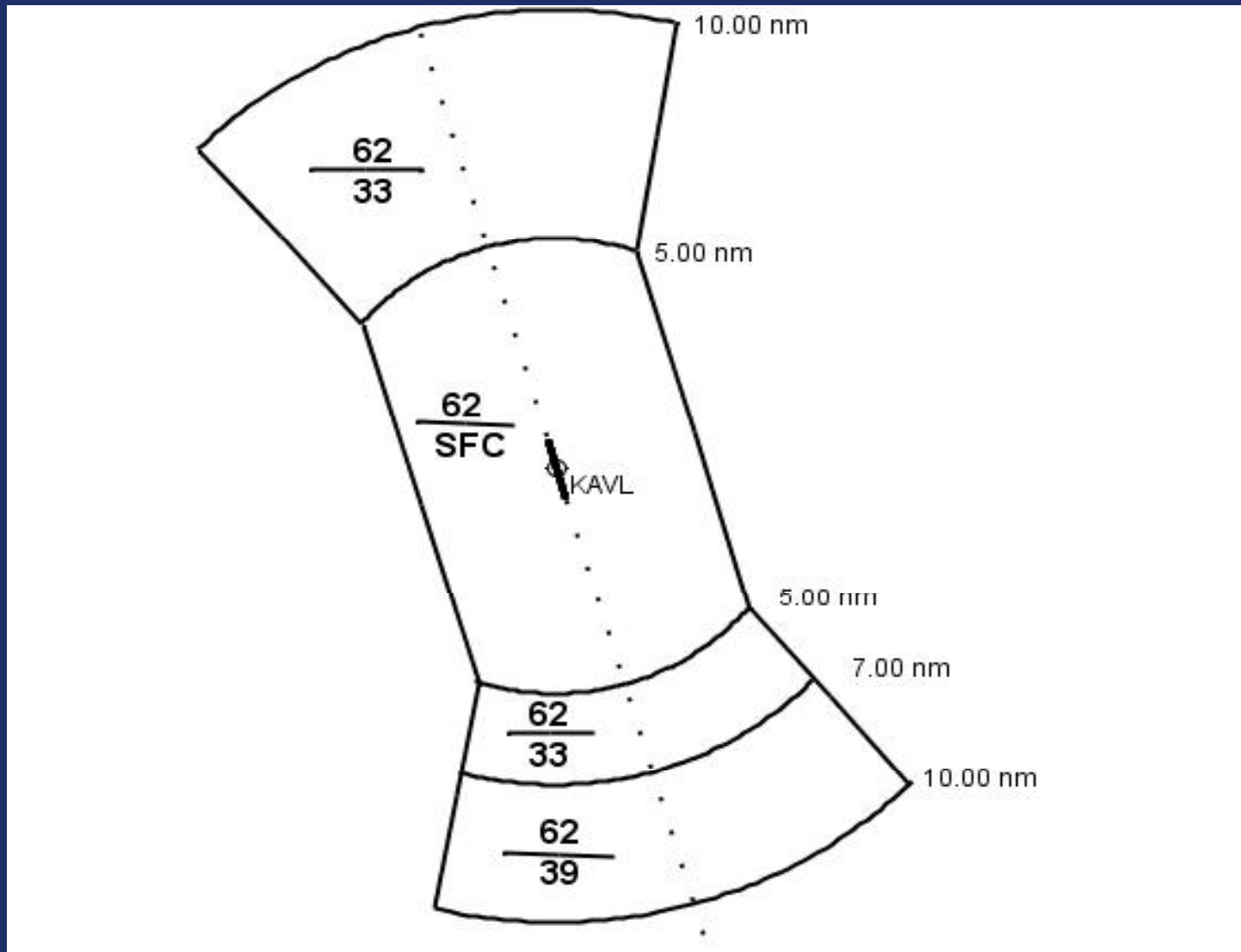
Proposed AVL Class C – Profile View RWY 34



Current AVL Class C – Top View



Proposed AVL Class C – Top View



THANK YOU!



REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 10, 2008
8:30 AM

The Asheville Regional Airport Authority ("Authority") met on Friday, October 10, 2008 at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

MEMBERS PRESENT: David R. Hillier, Chairman; David Gantt, Vice-Chairman; Chuck McGrady, Secretary-Treasurer; Rhett Grotzinger; Brownie Newman; Jeffrey A. Piccirillo; Susan C. Fisher.

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; David N. Edwards, Jr., Airport Director; Lew S. Bleiweis, Deputy Airport Director; D. David Nantz, Director of Operations and Maintenance; Kevin Howell, Development Manager; Patti Michel, Director of Marketing and Public Relations; Royce Holden, IT Director; C. Jeffrey Augram, Chief of Public Safety; Christy Brunson, Finance Manager; Suzie Baker, Administration Manager and Ellen Heywood, Recording Secretary.

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 AM.

APPEARANCES: None

PRESENTATIONS: The Director noted that the presentation of the Asheville Regional Airport Authority Draft 2007/2008 Annual Audit will not be held today as there are documents that still need to be pulled together. Staff will bring this item back to the Board at a future date.

CONSENT AGENDA: The Chairman inquired if Board members had any comments on any of the Consent Agenda items. Mr. Grotzinger requested that Consent Agenda Items A and E be pulled for discussion. Mr. Gantt moved to approve Consent Agenda Items B, C, and D. Mr. Grotzinger seconded the motion and it carried by a unanimous vote.

A. Approval of the Asheville Regional Airport Authority September 12, 2008 Regular Meeting Minutes: Mr. Grotzinger requested that the wording in the second sentence of the Approval of the August 8, 2008 Regular Meeting Minutes be amended to substitute the word "incorrect" for the word "correct" in the minutes. Mr. McGrady made a motion to approve as corrected the regular minutes of the September 12, 2008 Board Meeting. Mr. Gantt seconded the motion and it carried by a unanimous vote.

E. Approval of an Amendment to Section 110.00 of the Administration Purchasing/Procurement Policy: Mr. Grotzinger stated that this was a change in the way we spend money and merits a discussion as we go forward. Mr. Edwards relayed to the Board that the main question on this policy relates to the approval of the dollar amount. Mr. Edwards also stated that at the request of Mr. Grotzinger, Staff checked with Buncombe County as to their purchasing procedure. The County's procedure is to require requisitions and purchase orders for purchases over \$5,000.00 with procurement cards being utilized as much as possible for purchases under \$5,000.00. Staff is recommending we change our policy to not issue purchase orders for dollar items below \$1,000.00. Items under \$1,000.00 should be purchased with a procurement card and we are comfortable with staff having a \$1,000.00 limit. Mr. Grotzinger questioned the use of the terms procurement card and credit card and if there was a difference. Mr. Edwards replied that there was no difference and that Staff switched to procurement cards two years ago to provide a greater level of accountability and control. Staff will reword the policy to be consistent with the term procurement card. Mr. Grotzinger stated that the use of procurement cards takes the visibility away from the liability. He indicated that the liability will not be known until the statement comes in. Purchase Orders grant visibility as to when a liability will be incurred and the Authority needs to understand why we are doing this. Mr. Grotzinger moved to approve the Amendment to Section 110.00 of the Administration Purchasing/Procurement Policy. Mr. Newman seconded the motion and it carried by a unanimous vote.

OLD BUSINESS:

Approval of Amended Smoking/Tobacco Policy: The Chairman noted that legal counsel has concerns about this subject and stated that the Board will need to go into closed session for discussion. The Chairman also noted that three members of the public have requested to speak on this subject. There were no objections from the members of the Board to allow the speakers to address this item since they were present.

Mr. Gregg Childers, General Manager of Continental Airlines, spoke and noted that he is a non-smoker and would like to offer his opinion on the proposed policy. He does not agree with having a non-smoking campus but rather designated areas. He agrees that there are problems with people on the curb and at the bus stop smoking while waiting. Some tenants smoke on the curb as the distance of the one currently designated smoking area is too far for these employees. The airport has a smoking policy in place and Mr. Childers believes it needs to be enforced. He foresees the airport losing customers to other airports if a campus wide ban is implemented. He stated that managers would still have to enforce a policy and would be forced to track down employees who are smoking away from the terminal area.

David Sanderson, Station Manager for Atlantic Southeast Airlines, noted that although he is a smoker, his concerns are also from a management perspective and agrees with Mr. Childers about having employees disappearing to go smoke. Mr. Sanderson believes this could result in a lower level of customer service and also offers the opportunity for more debris and risk of fires if cigarettes are thrown into trash receptacles and brush.

Mrs. Fisher arrived at 8:50 AM.

Mr. Allan Demmer of the Transportation Security Administration shared his observations since employees of the TSA heard of a smoking policy change. Of the 18 comments he received from employees, 15 were from non-smokers who disagree with a campus-wide ban of smoking. In the six years he has worked at the Asheville Airport, he has not heard of any complaints of smoking outside the building. He agrees it is unattractive to have people smoking at the curb and believes there should be a designated area. Most of the complaints he has heard relate rather to intoxicated customers and the use of cell phones in the terminal. The Chairman asked if it was typical to receive so many comments and Mr. Demmer said he has not solicited opinions and that employees have commented on this subject face to face to him. The Board thanked the public for their input.

NEW BUSINESS:

A. Approval of RS&H Proposed Scope of Services and Fee for Professional Services Related to the Runway 16-34 Rehabilitation/Reconstruction Project Phase 1 – Pavement & Lighting Evaluation: Mr. Howell stated that the Phase 1 Capital Improvement Plan was presented to the Board in August of 2008. This included

the Runway Rehabilitation Project in FY 2009 and FY 2010. During Phase 1 of this project, lighting, signage and NAVAIDS will also be evaluated. The total fee for this service is \$186,633.00. This project will be funded at 95% through reimbursement by AIP entitlement funding and the Authority's share for Phase 1 will total \$9,331.65. Mr. Grotzinger questioned what NAVAIDS he was referring to and Mr. Howell stated that currently we have a Category 1 ILS and are trying to upgrade to a Category 2 ILS. Although NAVAIDS are not our responsibility, the airport could incur costs for relocation and lighting requests. The FAA will maintain the NAVAIDS after the project as well. Mr. Grotzinger questioned the CIP rough order of magnitude for the entire project. Mr. Edwards stated that it is \$5.6 million but that Staff anticipates that the price tag will be substantially higher than that. Mr. Edwards relayed to the Board that we would use entitlement money and discretionary funds of up to 95% to fund the project. Mr. Grotzinger moved to award approval of RS&H Proposed Scope of Services and Fee for Professional Services Related to the Runway Project and to authorize the Airport Director to execute the necessary documents. Mrs. Fisher seconded the motion and it carried by a unanimous vote.

B. Approval of the LPA Group of North Carolina, p.a. Proposed Scope of Services and Fee for Professional Services Related to the Terminal Area Parking and Access Road Improvements Project: Mr. Howell stated that although we started the planning process with WK Dickson, Staff will work with LPA Group on this project. He further relayed to the Board that the final selected alternative approved by the Board included pavement rehabilitation in the long term parking area, parking toll plaza expansion, improvements to the terminal access roadway and Wright Brothers Way. This project is three complete projects in one. The proposed fee for this work is \$729,044.00. The work associated with the public parking lot is not eligible for AIP entitlement funding. The work related to the terminal access roadway and general aviation access roadways are eligible up to 95% through AIP entitlement funds. The Chairman questioned how much of the project is made up of the parking lot aspect compared to the roadway portion of the project. Mr. Kirby of LPA stated that it was a 30/70 split, with the parking lot being 70% of the project. There was a discussion of the use of FY09-10 AIP funds. Mr. Edwards stated that the Authority had \$2.2 - \$2.3 million in AIP funds left over from last year to combine with this year's funds for a total of \$4.5 - 4.6 million. Some AIP entitlement funding will be used for the North General Aviation area which will free-up Authority funds for the new hangar project. Mr. Edwards also indicated that AIP Discretionary funds are used for high priority airfield infrastructure projects and/or safety and security projects. Mr. Grotzinger questioned the wisdom of counting on discretionary funds due to the economy and whether we should hold onto AIP money we haven't spent for these projects. Mr. Edwards

responded that he doesn't want to say it's not wise to do this but that we go through cycles with AIP every 3 to 5 years and that 50% of funding for 2009 has been freed up. Mr. Grotzinger questioned if enrollment numbers declined wouldn't entitlement funds also. Mr. Edwards explained that 2009 figures are based on 2007 calendar year enrollment figures. Mr. Grotzinger mentioned the possibility of phasing out portions of the project and Mr. Edwards replied that as this was to be three separate design and bid packages, the Board could decide to reject any portion of the project. Mr. McGrady made a motion to award approval of the LPA Group of North Carolina, p.a. Proposed Scope of Services and Fee for Professional Services Related to the Terminal Area Parking and Access Road Improvements Project and to authorize the Airport Director to execute the necessary documents. Mr. Gantt seconded the motion and it carried by a unanimous vote.

C. Approval of AVCON Engineers and Planners, Inc. Proposed Scope of Services and Fee for Professional Services Related to the North General Aviation Expansion Project – Construction Phase Services:

Mr. Howell mentioned that Staff worked with WK Dickson previously but will be carrying forward with AVCON on this project. He indicated that timbering, clearing and grubbing of the site has been completed. The next phase of the project includes the installation and extension of a 60" reinforced concrete pipe for storm drainage which will require full time construction inspection services as some sections of this pipe will be 50' deep. Upon completion of the pipe installation, inspection will move to part time and on call service from the engineer. The proposed fee for this project is different this time with an hourly not-to-exceed method to keep the figure as low as possible. The fiscal impact of this fee and scope of services is not-to-exceed \$99,100.00. The funding for this project has already been approved through the North General Aviation Expansion Project budget. Mr. Grotzinger inquired if we had approval to build yet to which Mr. Howell responded that we have secured the 401 permit. The 404 permit through the Army Corps of Engineers has not been obtained yet. The Cherokee Indians raised concerns about this project. We have had an archaeological survey performed and nothing was found. The results of this survey have been forwarded to the Army Corps of Engineers. The Cherokee Indians have 30 days to comment. We don't expect anything further and are awaiting word from the Army Corps of Engineers on the final permit approval. Mr. Grotzinger stated that the project list needs to be updated in the Board Books. Mr. McGrady made a motion for the approval of AVCON Engineers and Planners, Inc. Proposed Scope of Services and Fee for Professional Services Related to the North General Aviation Expansion Project – Construction Phase Services and to authorize the Airport Director to execute the necessary documents. Mr. Grotzinger seconded the motion and it carried by a unanimous vote.

DIRECTOR'S REPORT:

A. AAAE Aviation Issues Conference – January 11-15, 2009: Mr. Edwards requested Board members advise him of any plans to attend this conference.

B. Delta/Northwest Merger: Mr. Edwards relayed to the Board that this merger was moving ahead. He indicated that final approval from the Justice Department was pending and that he expected this to take place in December or January. He stated that Staff is planning that this merger will occur and have received a request by ASA in conjunction with Delta to relocate the ticket counter. We have approved this request along with the relocation of self-service kiosks to be built in-line with the ticket counters for the ease of passengers. Mr. Edwards does not believe this merger is a huge negative or positive for the airport.

C. Pinnacle Passenger and Ground Handling Services at AVL: Pinnacle has taken over passenger services and ground handling for Express Jet/Continental and you will see their red carts around the airport. Mr. Edwards foresees the potential of other carriers contracting with Pinnacle for this service.

D. Update from ACI-NA Annual Conference in Boston, MA: It was a good conference overall with good presentations. One item that was very intriguing was the use of roof-top wind devices at Logan Airport. We will explore this venture as we are always looking for ways to be more energy efficient. The analysis will be free and we will bring any findings back to the Board.

E. Status of Airport Improvement Program: This item was covered already.

F. Update on Financial Contingency Plan: The financial report for August did not track down in expenses as we did in July which was due to the custodial service expenses. Staff had made its original projection based on a 15% reduction in passengers and 10% reduction in revenue. Based on the current financial report we are in good shape.

One item not on the agenda was Mr. Edwards' recent trip to the Boyd Forecast Conference. There were several presentations on industry trends. The information is in the folders presented to the Board.

G. Terminal Renovation and Expansion Project Update: Mr. Howell relayed to the Board that Staff is focusing with contractor and architect to commit all resources to the baggage claim area by the holidays. Staff intends to have the new devices operational by Thanksgiving. In area 1 which comprises the TSA screening area/offices, the offices are moving along well. He stated that the TSA screening area is behind schedule. The screening devices arrived Monday and there is a lengthy testing process for the contractor, then Staff has to validate the results and TSA will bring in their consultants for final acceptance. Mr. Howell indicated that he expects this area to come on-line in January. He also stated that the plan is to move the airlines into their offices before the screening units come on-line. Mr. Grotzinger questioned whether the project was on schedule and Mr. Howell replied that renovations take longer than a green field construction project. The contractor is behind schedule but Staff intends to enforce the contract. Mr. Grotzinger questioned whether that contract was ever settled with Construction Logic. Mr. Howell replied that Staff received the documentation late last week and that Staff will authorize final payment. Mr. Grotzinger inquired as to whether Authority losses were recouped and Mr. Howell informed the Board that Staff received \$70,000.00 back from Construction Logic on the project. The Chairman inquired if the guest services center would be open by Thanksgiving and Mr. Howell responded that it would be early December.

Mr. Edwards informed the Board that he received a notice from Odyssey Aviation, formerly Million Air that they are renaming themselves and wanted to inform the Board in case they hear the name Odyssey Aviation in the future. The renaming will officially take place as of January 1, 2009.

Mr. Grotzinger asked for an Encore/Landmark update and Mr. Howell stated that Encore received the final permits from the city and will be moving forward shortly.

INFORMATION SECTION: No Presentations.

The Chairman inquired as to the Frequent Traveler Program and Ms. Michel indicated that she plans to move forward with a Travel Business Forum in October to learn more about customer needs. Ms. Michel plans to have a program in place early next year.

Mr. Grotzinger inquired about the Finance Report and what information was rolled up in the terminal numbers. He wanted to know how we pull concessions from the finance report. Ms. Brunson informed the Board that the report contains standard fixed rent, concessions, interest discretionary section, etc. Mr. Grotzinger replied that it would be good to see those numbers split out as we don't know how the hangars are doing. Mr.

Edwards informed the Board that Staff has already committed to provide a more detailed report to the Board that follows the budget format and that Staff will do so as soon as the report is completed and vetted for accuracy.

Mr. McGrady inquired if there was an increase in passengers booking flights through our web page. Mr. Edwards stated that the web site is used as a tool to reach out to customers. There are many booking agents on the internet and Staff is pleased with how many people have signed up to date. We use the website to obtain customer contact information and send e-newsletters to them as well. Ms. Michel stated that the carriers aren't charging fees like booking agents and some people go to the airlines direct. She indicated that the website is used as a marketing tool using the Airfare Watchdog and E-newsletter, and that subscriber numbers are increasing.

AUTHORITY MEMBERS REPORT: No Report

PUBLIC AND TENANT COMMENT: No Comments

CLOSED SESSION: At 9:35 AM, Mr. McGrady moved to go into closed session pursuant to Subsections 143-318.11(a)(3) and (6) of the General Statutes of North Carolina, in order to consult with the Asheville Regional Airport Authority's Legal Counsel, and during this closed session, or a portion thereof, the Asheville Regional Airport Authority expects to receive advice from its Legal Counsel concerning an existing lawsuit filed in the Buncombe County Superior Court, File Number 08 CVS 697, the parties to which are Asheville Jet, Inc., d/b/a Million Air Asheville, as Plaintiff, and the City of Asheville, the Asheville Regional Airport Authority, and possibly the County of Buncombe, as Defendants, and in order to consider personnel matters. This motion was seconded by Mr. Grotzinger, and it carried by a unanimous vote.

OPEN SESSION: Open session resumed at 11:44 AM. Mr. Gantt made a motion to increase the Director's annual salary to \$161,570.00 effective November 1, 2008. Mr. McGrady seconded the motion and Mr. Gantt noted that this was an increase of 7%. The motion carried by a majority vote, with Mr. Grotzinger voting against the motion, and the remaining six Authority Members voting for the motion. Mr. Grotzinger stated that the Director needed to be richly recognized for his performance during the 2007-2008 evaluation period.

Mr. Gantt departed at 11:48 AM.

At 11:48 AM Mr. Newman moved to return to closed session pursuant to Subsection 143-318.11 (a) (6) of the General Statutes of North Carolina, in order to consider personnel matters. Mr. McGrady seconded the motion and it carried by a unanimous vote.

OPEN SESSION: Open session resumed at 12:01 PM. The Chairman referred to the upcoming budget schedule and the anticipated cancellation of the November 2008 regular meeting.

ADJOURNMENT: Mr. Newman made a motion to adjourn the meeting at 12:03 PM. Mr. McGrady seconded the motion, and it carried by a unanimous vote.

The Chairman informed the Board that the Board would not meet in November unless it was determined there was a need by the Chairman in consultation with the Airport Director.

The next regular meeting of the Authority will be on Friday, December 12, 2008 at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

Respectfully submitted,

Charles W. McGrady
Secretary-Treasurer

Approved:

David R. Hillier
Chairman



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Deputy Airport Director

DATE: December 12, 2008

ITEM DESCRIPTION – New Business Item A

Presentation of the Annual Audit Report for Fiscal Year 2007/2008

BACKGROUND

The annual audit was performed by the auditing firm, Burleson & Earley PA., and the findings are hereby submitted for the Board's review and acceptance. Final approval of the audit has been received from the Local Government Commission ("LGC").

ISSUES

None. An unqualified opinion was issued by the auditors.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to accept the 2007/2008 Audit Report as presented. Staff has included a copy for your convenience.

BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the
Asheville Regional Airport Authority
Fletcher, North Carolina

In planning and performing our audit of the financial statements of the Asheville Regional Airport Authority for the year ended June 30, 2008, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated October 8, 2008 on the financial statements of the Asheville Regional Airport Authority. We will review the status of these comments at our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel, and will be pleased to discuss any of these comments in further detail with you at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Bank Reconciliation

The bank reconciliations for the operating account and for the North Carolina Cash Management Trust account contained outstanding items that could not be supported by clearance of the item on a future bank statement. Further investigation of the items resulted in the determination that the presence of the items on the bank reconciliations were errors and adjustments were required to the reconciliations and to the general ledger. We recommend that the Authority establish a review process for the bank reconciliations that includes, at a minimum, the finance manager and the deputy airport director and, at various times, should also include the airport director. During this process the outstanding items need to be considered for reasonableness based on their age and amount. Additionally, the reconciled balance should be compared to the general ledger. The application of this review process needs to be evident on the face of the bank reconciliations with signatures at each phase of the review.

Accounts Receivable

The outstanding accounts receivable balance at June 30, 2008 was approximately one million dollars, exclusive of the passenger facility charges. This balance is three times what the balance normally is at year end. Review of the detail in the aged accounts receivable report revealed various adjustments needed, by tenant, to adjust the balance due at year end to actual. It also became evident that several of the airlines were many months behind in their payments, some approaching one year. Through discussions with the deputy director and the airport director, it was determined that they had become aware in the spring of 2008 that delinquencies existed with some of the airlines. At that point, the finance department was concerned that the detail in the accounts receivable system was not completely accurate. They reconciled each customer account to develop the accounts receivable aging ledger at June 30, 2008. During the audit process, the airport director established a proactive position related to these outstanding balances, contacting each airline to collect the outstanding balances and to determine why the airlines were behind.

We recommend that the Authority establish a formal monthly process that provides the aged accounts receivable ledger to the deputy director for his review. This process should include evidence by the deputy director of his review of the details of the schedule and that he has agreed the subsidiary accounts receivable ledger to the general ledger. We also recommend that the airport director review the accounts receivable ledger at interim periods throughout the year, placing his initials on the report after review. These reports need to be retained by the Authority as part of their monthly financial reporting package.

Depreciation Schedule

The accumulated depreciation per the detailed depreciation schedule does not agree to the general ledger. Additionally, it appears that three of the assets have been over-depreciated. We recommend that the depreciation schedule from the 2007 audit, which did agree, be compared line by line to determine where the differences are and correct them. Also, adjustment will need to be made in fiscal year 2009 for any assets that are determined to have been over-depreciated.

Reconciliation of Supporting Workpapers to the Trial Balance

Per our initial review of the trial balance that was presented for audit, it was determined that various accounts contained balances that did not appear to be accurate. Further investigation by the Authority staff determined that certain adjusting entries had been posted incorrectly and other accounts had not been reconciled to their subsidiary ledgers. In order to make these corrections the Authority staff provided us with numerous adjusting entries to the trial balance. We recommend that the Authority establish a checklist to be utilized by each level of the staff to insure that the appropriate reconciliations to subsidiary ledgers and to supporting workpapers are completed monthly and that the balances agree. This checklist should accompany the monthly financial reporting package as it progresses through the various levels of management and will become part of the internal monthly financial workpapers.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

Burleson, Earley & Keel, PLLC

Certified Public Accountants

October 8, 2008

BURLESON & EARLEY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

October 10, 2008

To the Board of Directors,
David Edwards, Airport Director and
Christy Brunson, Finance Manager
Asheville Regional Airport Authority
Fletcher, NC

We have audited the financial statements of the business-type activities, and the aggregate remaining fund information of Asheville Regional Airport Authority for the year ended June 30, 2008, and have issued our report thereon dated October 8, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 16, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 11, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Asheville Regional Airport Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciable lives assigned to fixed assets is based on the estimated useful life of the asset. We evaluated the key factors and assumptions used to develop the depreciable lives assigned to fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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THE GROVE ARCADE ♦ ONE PAGE AVENUE, SUITE 205 ♦ ASHEVILLE, NC 28801
TELEPHONE: (828) 251-2846 ♦ FAX: (828) 251-1144

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following significant corrections were necessary and agreed to by management:

Adjust operating checking account for errors on bank reconciliation	\$	260,368
Correct overstatement of construction retainage payable	\$	(343,021)
Adjust prepaid expenses to actual	\$	(127,182)
Record airline reserve allowance	\$	(120,000)
Correct reversal of prior year vacation accrual	\$	115,335
Record current year vacation accrual	\$	99,275

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors, David Edwards and Christy Brunson and management of the Asheville Regional Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Burleson & Earley, P.A.

Certified Public Accountants



Basic Financial Statements

For the Year Ended June 30, 2008

ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

Dave Hillier, Chairman
Rhett Grotzinger, Vice-Chairman
James E. Ellis, Secretary/Treasurer

Susan Fisher
David Gantt
Gerard P. Mozian
Brownie Newman

Airport Director

David N. Edwards, Jr., A.A.E.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

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BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited the accompanying statement of net assets of the Asheville Regional Airport Authority, as of and for the year ended June 30, 2008, and the related statement of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Asheville Regional Airport Authority's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Asheville Regional Airport Authority as of June 30, 2008, and the changes in its net assets and cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2008 on our consideration of Asheville Regional Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of budget and actual and the schedules of expenditures by cost center, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Burleson & Earley, P.A.
Certified Public Accountants
October 8, 2008

THE GROVE ARCADE ♦ ONE PAGE AVENUE, SUITE 205 ♦ ASHEVILLE, NC 28801
TELEPHONE: (828) 251-2846 ♦ FAX: (828) 251-1144

ASHEVILLE REGIONAL AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the Asheville Regional Airport's activities and financial performance provides the reader with an overview to the financial statements of the Asheville Regional Airport Authority for the fiscal year ended June 30, 2008. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

THE REPORTING ENTITY

The Asheville Regional Airport Authority (Authority) was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (County) and the City of Asheville (City). It was organized for and has as its sole purpose the management, operation and maintenance of the Asheville Regional Airport (Airport) and other properties, either acquired by or placed under the control of the Authority as outlined in Chapter 160A.

The Authority operates as an Enterprise Fund within the constraints of the County's annual budget ordinance and is governed by seven members: three citizens and residents of the County of Buncombe appointed by the Buncombe County Board of Commissioners; three citizens and residents of the City of Asheville appointed by the Asheville City Council; and one citizen and resident of the County of Buncombe appointed at large by the other six members of the Authority. All members of the Authority serve four year terms. Any member may serve a total of two consecutive terms after which said member may not be reappointed to the Authority until two years after his or her most recent appointment.

The Authority employs a Managing Director (Airport Director), who is the chief administrative and executive officer of the Authority. The Airport Director manages the Airport under the Authority's control with a staff of 50 full-time employees. The staff is responsible for the day-to-day financial, administration, operational and personnel matters pertaining to the Airport and the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a non-hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 153rd largest airport in the United States based on the number of passenger boardings during calendar year 2007¹.

As of June 30, 2008, Asheville Regional Airport had twenty six non-stop commercial flights to seven hub cities (Atlanta, Cincinnati, Charlotte, Houston-Bush, Detroit, Minneapolis/St. Paul, and Newark). The commercial airline carriers included Delta Air Lines (operating under the Delta Connection carrier names of Atlanta Southeast Airlines, Comair, Chautauqua and Freedom Airlines), Continental Airlines (operating under the ExpressJet carrier name of Continental Express), Northwest Airlines (operating under the Northwest Airlinck carrier name of Pinnacle) and U.S. Airways (operating under the U.S. Airways Express name of PSA Airlines and Piedmont Airlines).

¹ Federal Aviation Administration, passenger boardings calendar year 2007.

AIRPORT ACTIVITIES AND HIGHLIGHTS

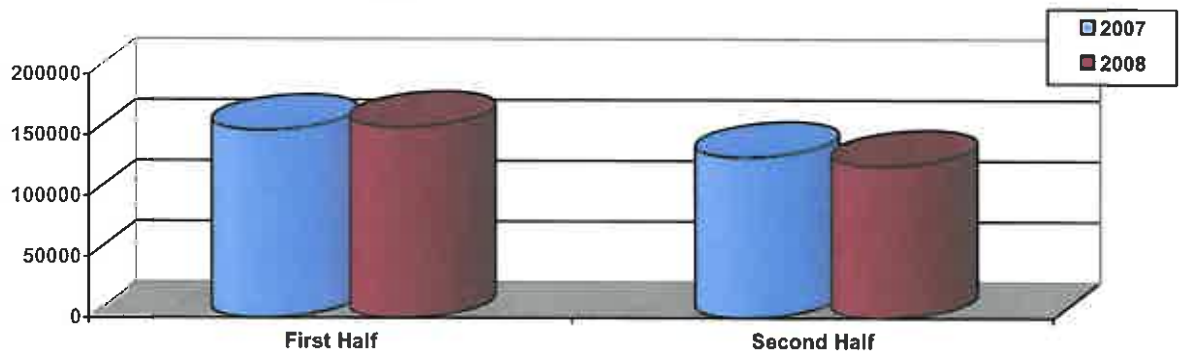
<u>Fiscal year ended June 30</u>	<u>2008</u>	<u>2007</u>
Enplanements	282,538	286,775
Revenue per enplanement:		
Airlines	\$6.89	\$5.90
Rental Cars	\$5.30	\$4.99
Parking Facility	\$8.26	\$7.56
Restaurant	\$.08	\$.12

Enplanements decreased by 1.5% in fiscal year 2008.

The following information is presented on a calendar year basis:

	<u>2008</u>	<u>2007</u>
<i>Aircraft Movements (Land or Takeoff)</i>		
Airline	1,523	2,192
General Aviation	58,682	54,586
Air Taxi	18,954	18,764
Military	2,467	2,284
Total	81,626	77,826

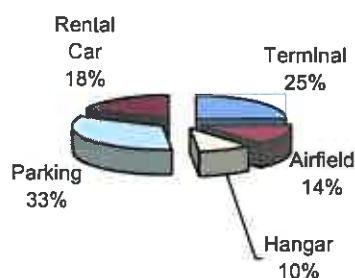
Passenger Enplanements for Fiscal Year



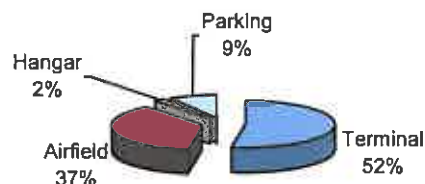
SUMMARY OF OPERATIONS AND CHANGES IN NET ASSETS

<u>For the Fiscal Year Ended June 30</u>	<u>2008</u>	<u>2007</u>
Operating Revenues	\$6,901,814	\$6,442,277
Operating Expenses	<u>5,502,056</u>	<u>4,951,916</u>
Operating Income Before Depreciation	1,399,758	1,490,361
Depreciation	<u>2,963,037</u>	<u>2,649,766</u>
Operating Loss Before Non-Operating Revenue and Expenses	(1,563,279)	(1,159,405)
Nonoperating Revenues and Expenses, net	<u>2,375,591</u>	<u>1,878,235</u>
Income (Loss) Before Capital Contributions	812,313	718,831
Capital Contributions	<u>2,986,611</u>	<u>2,084,633</u>
Increase in Net Assets	<u>\$3,798,924</u>	<u>\$2,803,464</u>

Operating Revenues



Operating Expenses



FINANCIAL POSITION SUMMARY

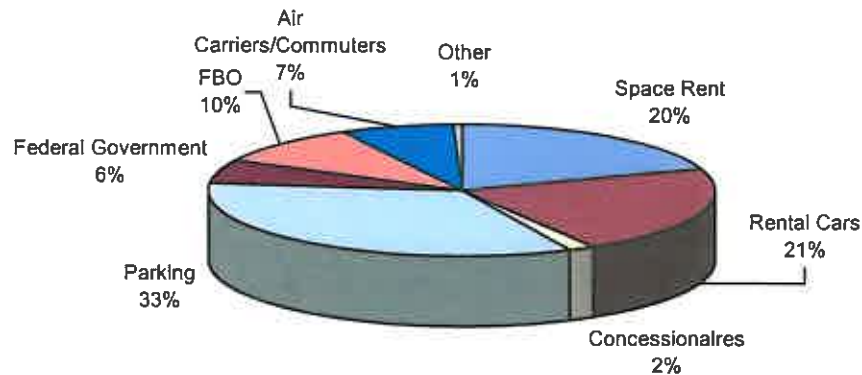
Net Assets may serve over time as a useful indicator of the Authority's financial position. The Authority's net assets exceeded liabilities by \$59.7 million at June 30, 2008, a \$3.8 million increase from June 30, 2007.

<u>At June 30</u>	<u>2008</u>	<u>2007</u>
Assets		
Current and Other Assets	\$13,229,444	\$12,689,978
Capital Assets	<u>54,088,989</u>	<u>44,671,724</u>
Total Assets	<u>\$67,318,433</u>	<u>\$57,361,702</u>
Liabilities		
Total Liabilities	<u>\$ 7,598,962</u>	<u>\$ 1,441,155</u>
Net Assets		
Invested in Capital Assets	47,471,462	43,910,615
Unrestricted	<u>12,249,009</u>	<u>12,009,932</u>
Total Net Asset	<u>\$59,719,471</u>	<u>\$55,920,547</u>

REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as landing fees, space rental, parking receipts and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2008.



SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits and highly liquid investments with an original maturity of three months or less.

<u>For the Fiscal Year Ended June 30</u>	<u>2008</u>	<u>2007</u>
Cash flow from Operating Activities	\$ 1,180,215	\$ 1,024,149
Cash flow from Investing Activities	3,616,354	307,478
Cash flow from Capital and Related Financing Activities	<u>(2,934,716)</u>	<u>(2,571,457)</u>
Net increase (decrease) in Cash and Cash Equivalents	1,861,852	(1,239,830)
Cash and Cash Equivalents:		
Beginning of year	<u>8,083,820</u>	<u>9,323,650</u>
End of Year	<u>\$ 9,945,673</u>	<u>\$ 8,083,820</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2008, the Authority expended \$15.4 million on capital activities. This included approximately \$281,000 for new equipment, furniture and improvements, and \$12.1 million for major construction activities. The major activities include the following:

- Terminal Renovation
- Security System and Access Control
- Expansion of North General Aviation
- Regional Boarding Ramps
- Consolidated Rental Car Service Facility
- Replacement of the HVAC Cooling Towers

Acquisitions are funded using a variety of techniques, including Federal and State grants, Passenger Facility Charges, Airport revenues and Airport funds.

Long-term Debt

As of June 30, 2008, the Authority had total bond debt outstanding of \$4,661,626.

<u>Rental Car Facilities Taxable Revenue Bond, Series 2007</u>			
<u>Balance</u>			<u>Balance</u>
<u>June 30, 2007</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>June 30, 2008</u>
<u>\$ -</u>	<u>\$4,750,000</u>	<u>\$ 88,374</u>	<u>\$ 4,661,626</u>

RECENT DEVELOPMENTS

The industry is expected to post a \$5.2 billion dollar loss this year and further losses next year in revenues. This can be contributed to volatile fuel price and a weak economy. The aviation industry continues to be highly competitive and volatile.

System revenue passenger miles (RPMs) and enplanements grew 2.6 and 6.5 percent, respectively. Domestic RPMs increased .9%. The system-wide load factor (the amount of occupied seats on commercial service passenger aircraft) decreased to 79.3 percent.

It is anticipated that the entire airline industry, including air carriers currently operating at the Asheville Regional Airport, will continue to improve their financial performance over the next couple of years based on a combination of the following factors:

- Increased fuel efficiency
- Fleet Modernization
- Increased load factors for the air carriers
- Modernization of the U.S. air traffic control system
- Increased employee productivity resulting from employee reductions and cost savings.

While the events of September 11, 2001 became a catalyst for many changes within the aviation world, one of the most significant changes has been the evolution and integration of the low cost carrier business model and legacy carrier increased utilization of code sharing regional jets in many markets. Demand for regional airline capacity remained strong as mainline carriers continued to align capacity more closely with this demand,

Recognizing the need for comprehensive planning to best utilize its facilities and properties, the Authority continued to work with its various planning and architectural firms hired during the last .

fiscal year to implement projects identified in its terminal area plan which serves as the backbone for the Authority to meet the existing and projected growth at the Airport over the next 20 years.

THE FUTURE

Despite uncertainty in the aviation industry, the Authority, management and staff have focused with even more precision on the core fundamentals of solidifying our position in a tough business environment. While travel demand continues to return at a steady pace, we remain cautiously optimistic about our future. Authority management will continue to seek additional non-stop air service to the top 20 origin and destination markets at the Airport. This will promote profitable routes to new or existing airlines currently operating at the Airport. Through continued emphasis and focus on the relationships with our community, suppliers, and passengers, we will continue to build a strong team vision and foundation for success as we move into the next fiscal year and beyond.

Over the next few fiscal years, the Authority will continue implementation on certain capital projects identified in the terminal area planning study in order to provide the necessary facilities at the Airport to support future growth in air traffic. Management will continue to expand the Airport and its facilities in a financially prudent manner, maximizing federal, state, and other revenues to minimize the local funding required, thereby maximizing the Authority's return on its investment.



The mission of the Asheville Regional Airport is to be the premier airport of choice for Western North Carolina travelers, by providing an array of choices and amenities, distinctive customer service, value, and convenience.

ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF NET ASSETS
June 30, 2008

(With comparative totals for June 30, 2007)

Assets	<u>2008</u>	<u>2007</u>
Current assets:		
Unrestricted net assets:		
Cash and equivalents	\$ 6,770,616	\$ 7,985,217
Investments	993,807	3,909,047
Accounts receivable	1,043,619	464,608
Prepaid expenses	-	127,182
Total unrestricted assets	<u>8,808,042</u>	<u>12,486,054</u>
Restricted assets:		
Cash and equivalents	3,175,057	98,603
Capital fund receivables	1,045,607	-
Passenger facility charges receivables	200,738	105,321
Total restricted assets	<u>4,421,402</u>	<u>203,924</u>
Total current assets	<u>13,229,444</u>	<u>12,689,978</u>
Noncurrent assets:		
Capital assets		
Property and equipment - net	<u>54,088,989</u>	<u>44,671,724</u>
Total noncurrent assets	<u>54,088,989</u>	<u>44,671,724</u>
	<u>\$ 67,318,433</u>	<u>\$ 57,361,702</u>
Liabilities and Net Assets		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$ 476,550	\$ 244,089
Accrued liabilities	503,885	435,957
Revenue bond payable - current	366,540	-
Total payable from unrestricted assets	<u>1,346,975</u>	<u>680,046</u>
Payable from restricted assets:		
Construction contracts payable	1,471,070	605,319
Construction contract retainages	485,831	155,790
Total payable from restricted assets	<u>1,956,901</u>	<u>761,109</u>
Total current liabilities	3,303,876	1,441,155
Noncurrent liabilities:		
Revenue bond payable - noncurrent	<u>4,295,086</u>	<u>-</u>
Total liabilities	<u>7,598,962</u>	<u>1,441,155</u>
Net assets:		
Invested in capital assets	47,470,462	43,910,615
Unrestricted	<u>12,249,009</u>	<u>12,009,932</u>
Total net assets	<u>59,719,471</u>	<u>55,920,547</u>
	<u>\$ 67,318,433</u>	<u>\$ 57,361,702</u>

The accompanying notes are an integral part of these financial statements.

ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
Year ended June 30, 2008

(With comparative totals for year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Operating revenue:		
Terminal	\$ 1,706,531	\$ 1,517,156
Airfield	949,065	886,940
Hangar	683,539	610,083
Roadway	1,233,623	1,265,316
Parking	<u>2,329,056</u>	<u>2,162,782</u>
Total operating revenue	<u>6,901,814</u>	<u>6,442,277</u>
Operating expenses:		
Terminal	2,890,525	2,627,618
Airfield	2,025,707	1,766,034
Hangar	106,859	128,516
Parking	<u>478,965</u>	<u>429,748</u>
Total operating expenses	<u>5,502,056</u>	<u>4,951,916</u>
Operating income before depreciation	1,399,758	1,490,361
Depreciation	<u>2,963,037</u>	<u>2,649,766</u>
Operating loss before nonoperating revenue and expense	(1,563,279)	(1,159,405)
Nonoperating revenue (expense):		
Passenger facility charges	1,147,585	594,510
Customer facility charges	777,860	490,508
Interest revenue	492,503	644,521
Interest expense	(182,925)	-
Sale of fixed assets	60	-
Land use fees	140,508	161,753
Land use expenses	<u>-</u>	<u>(13,057)</u>
Total nonoperating revenue - net	<u>2,375,591</u>	<u>1,878,235</u>
Income (loss) before capital contributions	812,313	718,831
Capital contributions	<u>2,986,611</u>	<u>2,084,633</u>
Net assets		
Increase in net assets	3,798,924	2,803,464
Total net assets, beginning of year	<u>55,920,547</u>	<u>53,117,083</u>
Total net assets, end of year	<u>\$ 59,719,471</u>	<u>\$ 55,920,547</u>

The accompanying notes are an integral part of these financial statements.

ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
Year ended June 30, 2008

(With comparative totals for year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from providing services	\$ 6,254,700	\$ 6,682,631
Cash paid for goods and services	(3,206,432)	(3,947,743)
Cash paid to or on behalf of employees for services	(1,868,053)	(1,710,739)
Net cash provided by operating activities	<u>1,180,215</u>	<u>1,024,149</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(11,184,510)	(6,115,782)
Proceeds from sale of capital assets	60	
Passenger facility charges	1,052,168	670,218
Customer facility charges	777,860	490,508
Proceeds from revenue bond issuance	4,750,000	
Principal payments of bond maturities	(88,374)	
Interest paid on bond maturities	(182,925)	
Capital contributions	1,941,004	2,383,598
Net cash used by capital and related financing activities	<u>(2,934,716)</u>	<u>(2,571,457)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investments matured	12,000,001	10,394,041
Investments purchased	(9,084,760)	(10,813,456)
Land use fees, net of expenses	140,508	148,696
Interest income	560,605	578,197
Net cash provided by investing activities	<u>3,616,354</u>	<u>307,478</u>
 Net increase (decrease) in cash and cash equivalents	1,861,852	(1,239,830)
Balance-beginning of the year	8,083,820	9,323,650
Balance-end of the year	<u>\$ 9,945,673</u>	<u>\$ 8,083,820</u>

Reconciliation of operating income to net cash provided by operating activities

Operating loss before nonoperating income and expenses	<u>\$ (1,563,279)</u>	<u>\$ (1,159,405)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,963,037	2,649,766
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(647,111)	230,914
(Increase) decrease in prepaid items	127,182	(80,674)
Increase (decrease) in accounts payable and accrued liabilities	300,386	(616,452)
Total adjustments	<u>2,743,494</u>	<u>2,183,554</u>
Net cash provided by operating activities	<u>\$ 1,180,215</u>	<u>\$ 1,024,149</u>

The accompanying notes are an integral part of these financial statements.

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2008

Note A – Organization and Summary of Significant Accounting Policies

The accounting policies of the Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Asheville Regional Airport Authority (Authority) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979 pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 only by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year to year extension after the term has been reached. Under the agreement, Buncombe County is responsible for funding any operating deficits of the Authority during the term of the agreement.

The Authority's purpose under this agreement is to maintain, operate, regulate and improve the Asheville Regional Airport. Under the terms of the agreement, the Airport at July 1, 1980 remains the property of the City of Asheville and is leased to the Authority for \$1 per year. The financial statements of the Authority include only this amount for use of the Airport. Any capital improvements shall belong to the City of Asheville upon termination of the agreement. Issuance of revenue bonds by the Authority is subject to prior approval by Buncombe County. In accordance with governmental accounting principles, the Authority is a component unit of Buncombe County because of the County's oversight responsibility and its responsibility for funding any operating deficits.

Basis of Presentation

Fund financial statements provide information about the Authority's funds. Statements for the proprietary fund category are presented.

Proprietary Funds include the following fund type:

Enterprise Funds – Enterprise Funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one Enterprise Fund for Airport operation. For financial reporting purposes, a Capital Project Fund has been consolidated with the Enterprise operating fund.

Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the flow of economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants.

Note A – Organization and Summary of Significant Accounting Policies – continued

Measurement Focus and Basis of Accounting - continued

As permitted by U.S. generally accepted accounting principles, the Authority has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Projects Fund, which are consolidated with the operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. No amendment to the original budget was necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The Authority is required under the terms of their agreement with Buncombe County to provide their budget to the County by April 30 of each year.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Authority 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 and the North Carolina Capital Management Trust (NCCMT).

The Authority's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

Note A – Organization and Summary of Significant Accounting Policies – continued

Cash and Cash Equivalents

The Authority pools money from several funds to facilitate disbursement and investment and to maximize investment income. The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

Restricted assets consist of monies and other resources which are legally restricted as described below:

Capital Funds – These assets represent capital revenue contributions that are restricted for designated capital projects and cannot be expended for any other item.

Passenger Facility Charges Funds – These assets represent Passenger Facility Charges (PFC) collections based on an approved FAA application to “Impose” such charges on enplaned passengers at the Airport. These funds are restricted for designated capital projects. The Authority recognizes and reports as non-operating revenue PFCs collected when all conditions have been met that entitles the Authority to retain the PFCs.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements and expensed as the items are used.

Fixed Assets

Property, plant, and equipment are recorded at original cost at the time of acquisition and depreciated over their useful lives on a straight-line basis as follows:

Leasehold Improvements	5 – 40 years
Public Safety and Maintenance Equipment	3 – 20 years
Vehicles	3 – 20 years
Furniture	5 – 10 years

Compensated Absences

Airport personnel policies permit an employee to earn vacation as of January 1 of the related calendar year based on their years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31 unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Airport Director. Upon termination, any unexpired vacation pay is due the employee. Accrued vacation pay amounted to \$99,275 and \$151,667 at June 30, 2008 and 2007, respectively.

A specific number of additional leave hours are available to members of Executive Management and Management. Employees must be employed for 180 days of the calendar year to be eligible for management leave for that year. Management leave does not accrue from year to year. Unused management leave as of December 31 will be paid out to the employee on the first payroll of the new calendar at a rate of 50% of its value. Unused management leave is not paid upon termination, thus no accrual has been made.

Note A – Organization and Summary of Significant Accounting Policies – continued

Compensated Absences - continued

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for the retirement benefit purposes. Since the Authority has no obligation for the accumulated sick leave until it is actually taken, no accrual has been made.

Net Assets

Net assets in proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

Note B – Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

Actual expenditures exceed budget appropriations in the following cost centers: airfield and parking lot. The expenditures in total were within budget.

Note C – Detail Notes on All Funds

Deposits

All the deposits of the Authority are collateralized by using the pooling method. Under the Pooling Method, which is 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 Authority, these deposits are considered to be held by the Authority's agents in their names. 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 Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority 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 Authority does not have a deposit policy for custodial credit risk.

At June 30, 2008, the Authority's deposits had a carrying amount of \$7,202,357 and a bank balance of \$7,371,610. Of the bank balance, \$200,000 was covered by federal depository insurance and \$7,171,610 was covered under the Pooling method.

Note C – Detail Notes on All Funds – continued

Investments

At June 30, 2008, the Authority's investments and maturities were as follows:

Investment Type	Fair Value	Less Than 6 Months
Commercial Paper	\$ 993,807	\$ 993,807
North Carolina Capital Management Trust Cash Portfolio	2,743,316	N/A
	<u>\$ 3,737,123</u>	<u>\$ 993,807</u>

There were no realized or unrealized gains or losses on the Authority's investments during 2008.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2008, the Authority's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The Authority's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The Authority's investments in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Services.

Concentration of Credit Risk. The Authority places no limit on the amount that the Authority may invest in any one issuer. More than 5 percent of the Authority's investments are in the following:

Commercial Paper:
 General Electric Capital Corporation 27%

Accounts Receivable

The balance of Accounts Receivable at June 30, 2008 consisted of the following:

Unrestricted:	
Trade, net of allowance	\$ 984,611
Other	<u>59,008</u>
	<u>\$1,043,619</u>

Note C – Detail Notes on All Funds – continued

Accounts Receivable - continued

Restricted:
Passenger facility charges \$ 200,738

Fixed Assets

The fixed assets of the Authority at June 30, 2008 are as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$3,725,790	\$	\$	\$ 3,725,790
Capital projects	<u>3,290,771</u>	<u>12,126,946</u>	<u>-</u>	<u>15,417,717</u>
Total capital assets not being depreciated	<u>7,016,561</u>	<u>12,126,946</u>	<u>-</u>	<u>19,143,507</u>
Capital assets being depreciated:				
Leasehold improvements	57,184,386	142,151		57,326,536
Public safety & maintenance equipment	3,514,093			3,514,093
Computer equipment	542,910	37,036		579,946
Furniture	50,080	52,368		102,448
Vehicles	<u>3,073,148</u>	<u>21,800</u>	<u>-</u>	<u>3,094,948</u>
Total capital assets being depreciated	<u>64,364,617</u>	<u>253,355</u>	<u>-</u>	<u>64,617,971</u>
Less accumulated depreciation for:				
Leasehold improvements	22,017,162	2,579,235		24,596,397
Public safety & maintenance equipment	2,331,165	164,630		2,495,795
Computer equipment	244,274	78,947		323,221
Furniture	37,125	10,410		47,535
Vehicles	<u>2,079,726</u>	<u>129,815</u>	<u>-</u>	<u>2,209,541</u>
Total accumulated depreciation	<u>26,709,454</u>	<u>2,963,037</u>	<u>-</u>	<u>29,672,489</u>
Total capital assets being depreciated, net	<u>37,655,163</u>			<u>34,946,482</u>
Business-type activities capital assets, net	<u>\$44,671,724</u>			<u>\$54,088,989</u>

Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Authority contributes to the statewide Local Governmental Employees' Retirement System (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.

Liabilities - continued

Pension Plan Obligations - continued

Local Governmental Employees' Retirement System - continued

Article 3 of G.S. 12 Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System 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 Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. For the Authority, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.90% and 7.88%, respectively, of annual covered payroll. The contribution requirements of members and of the Authority are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$114,369, \$130,160, and \$115,271, respectively. The contributions made by the Authority equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description. The Authority administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>11</u>
Total	<u>16</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

Basis of Accounting. The Authority has chosen to fund the Separation Allowance on a pay as you go basis.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Note C – Detail Notes on All Funds – continued

Liabilities (continued)

Law Enforcement Officers Special Separation Allowance (continued)

Contributions.

The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the Enterprise Fund operating budget. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5 – 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

Annual Pension Cost and Net Pension Obligation. The Authority's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 22,644
Interest on net pension obligation	4,969
Adjustment to annual required contribution	<u>(4,212)</u>
Annual pension cost	23,401
Contributions made	<u>47,785</u>
Increase (decrease) in net pension obligation	(24,384)
Net pension obligation beginning of year	<u>68,543</u>
Net pension obligation end of year	<u>\$ 44,159</u>

3 Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$26,790	146.61%	\$85,928
6/30/2007	\$25,271	168.79%	\$68,543
6/30/2008	\$23,401	204.20%	\$44,159

Funded Status and Funding Progress.

As of December 31 2007, the most recent actuarial valuation date, the plan was 92.4 percent funded. The actuarial accrued liability for benefits was \$256,896, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$256,896. The covered payroll (annual payroll of active employees covered by the plan) was \$402,947, and the ratio of the UAAL to the covered payroll was 63.75 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note C – Detail Notes on All Funds – continued

Liabilities (continued)

Supplemental Retirement Income Plan

Plan Description. The Authority contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to five percent of each employee's salary. All amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$138,400, which consisted of \$89,981 from the Authority and \$48,419 from the employees.

Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Benefit Plan. The Authority has no liability beyond the payment of the monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Authority, the Authority does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the Authority made contributions to the State for the death benefits of \$1,475. The Authority's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08% and .14%, respectively, of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Note C – Detail Notes on All Funds – continued

Liabilities (continued)

Other Postemployment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides postemployment healthcare benefits to retirees of the Authority up to age sixty-five, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (System), and are sixty-two years of age and have five years of creditable service or have at least twenty-five years of creditable service with the Authority at their retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority’s retirees can purchase coverage for their dependents at the Authority’s group rates. The Authority board may amend the benefit provisions. A separate report was not issued for the plan.

Funding Policy. By Authority resolution, the Authority pays the full cost of coverage for the healthcare benefits paid to qualified retirees. The Authority’s members pay \$525 per month for dependent coverage. The Authority has chosen to fund the healthcare benefits on a pay as you go basis. Postemployment expenditures are made from the proprietary fund, which is maintained on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In fiscal year ended June 30, 2008, the Authority’s total contributions were \$36,807 and total members contributions were \$7,616.

Annual OPEB Cost and Net OPEB Obligation. The Authority’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC). The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Authority’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Authority’s net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$	68,245
Interest on net OPEB obligation		3,413
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		<u>71,658</u>
Contributions made		<u>(36,807)</u>
Increase (decrease) in net OPEB obligation		34,851
Net OPEB obligation, beginning of year		-
Net OPEB obligation, end of year	\$	<u><u>34,851</u></u>

Note C – Detail Notes on All Funds – continued

Liabilities (continued)

Other Postemployment Benefits (OPEB)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 71,658	51.4%	\$ 34,851

Funding Status and Funding Progress. As of June 30, 2008, the actuarial accrued liability for benefits was \$450,001 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,834,165, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 24.53 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

Long-Term Debt

During the fiscal year ended June 30, 2008, the Authority issued bonds entitled, Rental Car Facilities Taxable Revenue Bond, Series 2007. These bonds are providing financing for the rental car facility. Interest only was payable until May 2008 at which time payments of principal and interest began in the amount of \$52,235 monthly. The bonds bear interest at 5.79% and will mature in March 2018.

The future payment of the bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 366,540	\$ 260,282
2010	388,335	238,488
2011	411,426	215,397
2012	435,890	190,932
2013	461,809	165,014
2014-2018	<u>2,597,626</u>	<u>379,781</u>
	<u>\$4,661,626</u>	<u>\$1,449,894</u>

The Authority covenants and agrees that it will fix rates, rentals, fees and charges related to the Rental Car Facilities, including the Common Area Maintenance Fee, the Customer Facility Charge, and the Rental Fees, and from time to time it will revise such rates, rentals, fees and charges in such manner that the Net Revenues for each Fiscal Year beginning with the first full Fiscal Year following the Fiscal Year during which the Project is first put into use for its intended purpose and thereafter shall not be less than the sum of 120% of the Principal and Interest Requirements on the Bonds for such Fiscal Year. The Project was not in service at June 30, 2008.

Note C – Detail Notes on All Funds – continued

Liabilities (continued)

Commitments

Construction Contracts - The Authority has commitments of approximately \$6 million for the construction/renovation of facilities. These projects are being funded mainly by a bond issue, federal grants and passenger facility charges.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority has property, general liability, auto liability, workers' compensation, and employee health coverage. Claims have not exceeded coverage in any of the past three fiscal years. The Authority does not carry flood insurance.

Net Assets

The Authority has established a reserve funds policy to assist the Authority in allocating revenues to fund the operating cycle and capital needs for the Airport and to provide back-up operating and other working capital reserves.

Operations and maintenance reserve – established to maintain an overall operations and maintenance reserve for the Airport equal to six months of the Airport's current year operations and maintenance budget.

Renewal and replacement reserve – established for the purpose of providing ready access to funds required for repairs, renewals or replacements which are emergency in nature or are unforeseen capital outlays.

Equipment and small capital outlays – established to set aside funds for replacement of capital equipment and other individual annual capital outlays of approximately \$100,000 or less.

Net Assets

Improvement and capital fund – established to fund the Airport's share of major elements of its multi-year capital improvements plan not otherwise funded from its Airport Improvement Program (AIP), Passenger Facility Charges (PFC), or other non-local sources of capital funding; to advance PFC or AIP's share of projects pending receipt of funds from those sources; to provide funds for future debt financing (i.e., debt service reserve and bond coverage); and to provide a source of other Airport working capital.

Unrestricted net assets consist of the following:

Designations of unrestricted net assets	
Operating and maintenance reserve	\$ -
Renewal and replacement reserve	-
Equipment and small capital outlays	-
Improvement and capital fund	2,827,449
Business development	<u>26,157</u>
Total designations	2,853,606
Undesignated unrestricted net assets	<u>9,395,403</u>
Total unrestricted net assets	<u>\$12,249,009</u>

Revenue and Expenses

Leases

The Authority leases land and facilities to tenants under various cancelable and noncancelable operating leases. Some leases require a fixed monthly rent and others a minimum annual rent plus a percentage of gross sales by tenant. The future noncancelable minimum annual rentals to be received under leases in effect at June 30, 2008, are \$7,960,093.

Passenger Facility Charges

The Authority receives from the airline carriers enplaning passengers at the Asheville Regional Airport a facility charge of \$4.39 per passenger. Every air carrier servicing the Airport must collect this charge on all tickets sold and remit these funds to the Authority. The Authority must use these funds for FAA approved capital improvement projects. Revenues from passenger facility charges totaled \$1,147,585 for the year ended June 30, 2008.

Major Customers

Transactions with one customer from which more than 10% of gross revenues were derived during the year ended June 30, 2008 accounted for the following revenue and related accounts receivable balance at June 30, 2008:

<u>Revenues</u>	<u>Accounts Receivable</u>
<u>\$858,362</u>	<u>\$30,467</u>

Note D – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Authority has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies

Note E - Litigation

On February 6, 2008, a fixed based operator (the Plaintiff) filed an action against the City of Asheville, Asheville Regional Airport Authority and the County of Buncombe (the defendants). The Plaintiff alleges that the Authority breached its contract with the plaintiff by providing substantially more favorable lease terms to a third-party fixed based operator. The defendants filed a joint answer on April 14, 2008. On May 30, 2008, the County of Buncombe was voluntarily dismissed without prejudice from the case. The remaining defendants filed a motion to dismiss in August 2008. The Court denied the motion and on September 24, 2008, a Notice of Appeal to the North Carolina Court of Appeals was filed. The Authority continues to deny the allegations and intends to vigorously defend this matter. The Authority is covered by insurance related to this matter in the event that they are not successful in their defense.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2002	-	\$ 321,410	\$ 321,410	0.00%	\$ 546,517	58.81%
12/31/2003	-	\$ 264,511	\$ 264,511	0.00%	\$ 490,297	53.95%
12/31/2004	-	\$ 264,421	\$ 264,421	0.00%	\$ 514,320	51.41%
12/31/2005	-	\$ 295,190	\$ 295,190	0.00%	\$ 529,431	55.76%
12/31/2006	-	\$ 263,109	\$ 263,109	0.00%	\$ 575,361	45.73%
12/31/2007	-	\$ 256,896	\$ 256,896	0.00%	\$ 402,947	63.75%

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND NOTES TO THE REQUIRED
SCHEDULES**

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Net Pension Obligation End of Year
2006	\$ 26,790	146.61%	\$ 85,928
2007	\$ 25,271	168.79%	\$ 68,543
2008	\$ 23,401	204.20%	\$ 44,159

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases*	4.5 - 12.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
 OTHER POSTEMPLOYMENT BENEFITS - HEALTHCARE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/07	\$ -	\$ 450,001	\$ 450,001	0%	\$ 1,834,165	24.53%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 71,658	51.36%

INDIVIDUAL FUND FINANCIAL STATEMENTS SECTION

ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULES OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year ended June 30, 2008

(With comparative actual amounts for the year ended June 30, 2007)

	2008		Variance Favorable (Unfavorable)	2007
	Budget	Actual		Actual
Revenues:				
Terminal	\$ 1,726,283	\$ 1,706,531	\$ (19,752)	\$ 1,517,156
Airfield	1,038,890	949,065	(89,825)	886,940
Hangar	648,525	683,539	35,014	610,083
Roadway	1,297,492	1,233,623	(63,869)	1,265,316
Parking lot	2,168,360	2,329,056	160,696	2,162,782
Interest Income	445,500	492,503	47,003	644,521
Land use fees	169,502	140,508	(28,994)	161,753
Passenger facility charges	3,782,062	1,147,585	(2,634,477)	594,510
Customer facility charges	760,083	777,860	17,777	490,508
	<u>12,036,697</u>	<u>9,460,270</u>	<u>(2,576,427)</u>	<u>8,333,569</u>
Expenditures:				
Terminal	3,453,723	2,890,525	563,197	2,627,618
Airfield	1,870,891	2,025,707	(154,816)	1,766,034
Hangar	110,282	106,859	3,423	128,516
Parking lot	403,732	478,965	(75,233)	429,748
Land use	7,380	-	7,380	13,057
Debt service	780,000	271,299	508,701	-
Capital outlays	22,218,335	11,184,510	11,033,825	6,115,782
	<u>28,844,342</u>	<u>16,957,865</u>	<u>11,886,477</u>	<u>11,080,755</u>
Revenues over (under) expenditures per budget ordinance	(16,807,645)	(7,497,595)	9,310,050	(2,747,186)
Other financing sources (uses):				
Capital outlay grants	8,977,387	2,986,611	(5,990,776)	2,084,633
Revenue bond proceeds	4,370,971	4,750,000	379,029	
Decrease in fund balance	3,339,287		(3,339,287)	
Revenues and other financing sources over expenditures	<u>\$ (120,000)</u>	<u>239,017</u>	<u>\$ 359,017</u>	<u>(662,553)</u>
Reconciling items to convert from budgetary basis (modified accrual) to full accrual:				
Capital outlays		11,184,510		6,115,782
Proceeds from sale of capital assets		60		-
Revenue bond proceeds		(4,750,000)		-
Principal payments of bond maturities		88,374		-
Depreciation		(2,963,037)		(2,649,766)
Net income		<u>\$ 3,798,924</u>		<u>\$ 2,803,464</u>

ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULES OF EXPENDITURES BY COST CENTER -
BUDGET AND ACTUAL (NON-GAAP)
Year ended June 30, 2008

(With comparative actual amounts for the year ended June 30, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Administration:				
Salaries	\$ 758,471	\$ 714,035	\$ 44,436	\$ 628,215
Professional services	207,150	146,924	60,226	169,087
Payroll tax		53,555	(53,555)	22,178
Group insurance	318,489	129,441	189,048	104,856
Retirement expense		48,495	(48,495)	48,165
Supplemental retirement allowance		35,528	(35,528)	27,643
Nonemployee labor			-	
Telephone	19,720	23,006	(3,286)	41,349
Printing	18,600	11,761	6,839	7,516
Travel	96,875	99,507	(2,632)	105,276
Training	7,100	9,824	(2,724)	5,168
Maintenance and repair	34,413	433	33,980	9,262
Postage	9,100	10,971	(1,871)	11,079
Advertising	224,350	254,925	(30,575)	206,864
Supplies	70,355	67,483	2,872	65,592
Contracted services	98,243	106,406	(8,163)	72,677
Dues and subscriptions	25,758	24,097	1,661	19,172
Insurance and bonds	207,500	271,465	(63,965)	144,718
Contingency	100,000	545	99,455	-
Miscellaneous	9,507	64,933	(55,426)	61,097
Total	<u>\$ 2,205,631</u>	<u>\$ 2,073,334</u>	<u>\$ 132,297</u>	<u>\$ 1,749,914</u>
Allocated to:				
Terminal (60%)	\$ 1,323,379	\$ 1,244,000	\$ 79,378	\$ 1,049,948
Airfield (30%)	661,689	622,000	39,689	524,974
Hangar (5%)	110,282	103,667	6,615	87,496
Parking lot (5%)	110,282	103,667	6,615	87,496
	<u>\$ 2,205,631</u>	<u>\$ 2,073,334</u>	<u>\$ 132,297</u>	<u>\$ 1,749,914</u>

ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULES OF EXPENDITURES BY COST CENTER-
BUDGET AND ACTUAL (NON-GAAP) - CONTINUED
Year ended June 30, 2008

(With comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Terminal:				
Salaries	\$ 564,820	\$ 438,760	\$ 126,060	\$ 458,762
Professional services		-	-	2,849
Payroll tax		34,732	(34,732)	47,727
Group insurance	236,800	93,924	142,876	90,445
Retirement expense		29,999	(29,999)	36,886
Supplemental retirement allowance		22,754	(22,754)	21,275
Telephone		3,489	(3,489)	1,415
Travel	17,700	6,487	11,213	8,542
Training	2,750	95	2,655	924
Utilities	276,750	248,823	27,927	325,152
Maintenance and repair -				
Buildings and grounds	236,504	162,256	74,248	197,652
Equipment	35,697	65,833	(30,136)	68,690
Restaurant		-	-	-
Supplies	122,390	116,625	5,765	66,046
Uniforms		1,310	(1,310)	5,477
Contracted services	512,558	257,145	255,413	206,989
Insurance and bonds		37,870	(37,870)	22,965
Miscellaneous	4,375	6,423	(2,048)	15,874
Airline Reserve	120,000	120,000	-	-
Administrative expenses allocated	1,323,379	1,244,000	79,378	1,049,948
	<u>\$ 3,453,723</u>	<u>\$ 2,890,525</u>	<u>\$ 563,197</u>	<u>\$ 2,627,618</u>

ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULES OF EXPENDITURES BY COST CENTER-
BUDGET AND ACTUAL (NON-GAAP) - CONTINUED
Year ended June 30, 2008

(With comparative actual amounts for the year ended June 30, 2007)

	<u>2008</u>			<u>2007</u>
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Airfield:				
Salaries	\$ 707,287	\$ 681,371	\$ 25,916	\$ 665,633
Professional services		46,921	(46,921)	644
Payroll tax		51,721	(51,721)	68,145
Group insurance	322,700	129,387	193,313	111,530
Retirement expense		41,512	(41,512)	51,876
Supplemental retirement allowance		56,945	(56,945)	55,709
Telephone	960	1,087	(127)	547.00
Training	1,500	4,332	(2,832)	2,492
Utilities	66,420	135,100	(68,680)	61,931
Maintenance and repair -				
Buildings and grounds		65,222	(65,222)	41,738
Equipment	5,000	40,558	(35,558)	30,710
Vehicles		8,578	(8,578)	8,591
Advertising		-	-	-
Automobile supplies		-	-	0
Supplies	31,000	36,270	(5,270)	61,725
Uniforms	19,000	16,493	2,507	27,323
Dues and subscriptions	2,175	1,220	955	1,383
Contracted services	11,360	30,493	(19,133)	8,172
Travel	41,800	18,277	23,523	19,300
Insurance and bonds		38,220	(38,220)	23,611
Bad debt		-	-	-
Administrative expenses allocated	661,689	622,000	39,689	524,974
	<u>\$ 1,870,891</u>	<u>\$ 2,025,707</u>	<u>\$ (154,816)</u>	<u>\$ 1,766,034</u>
Hangar:				
Professional services	\$ -	\$ 3,192	\$ (3,192)	\$ 40,615
Miscellaneous		-	-	(100)
Utilities		-	-	505
Administrative expenses allocated	110,282	103,667	6,615	87,496
	<u>\$ 110,282</u>	<u>\$ 106,859</u>	<u>\$ 3,423</u>	<u>\$ 128,516</u>
Parking lot:				
Utilities	\$ 18,450	\$ -	\$ 18,450	\$ -
Maintenance and repair -				
Buildings		11,348	(11,348)	17,994
Equipment		-	-	0
Vehicles		97	(97)	-
Supplies		2,858	(2,858)	3,614
Contracted services	275,000	360,995	(85,995)	320,644
Administrative expenses allocated	110,282	103,667	6,615	87,496
	<u>\$ 403,732</u>	<u>\$ 478,965</u>	<u>\$ (75,233)</u>	<u>\$ 429,748</u>

ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULES OF EXPENDITURES BY COST CENTER-
BUDGET AND ACTUAL (NON-GAAP) - CONTINUED
Year ended June 30, 2008

(With comparative actual amounts for the year ended June 30, 2007)

Reconciliation of expenditures from budgetary to GAAP basis

	2008					2007						
	Administrative	Terminal	Airfield	Hangar	Parking lot	Land use	Administrative	Terminal	Airfield	Hangar	Parking lot	Land use
Budgetary expenditures before administrative allocation	\$ 2,073,334	\$ 1,646,525	\$ 1,403,707	\$ 3,192	\$ 375,298	\$ -	\$ 1,749,914	\$ 1,577,670	\$ 1,241,060	\$ 41,020	\$ 342,252	\$ 13,057
Administrative allocation	(2,073,334)	1,244,000	622,000	103,667	103,667	-	(1,749,914)	1,049,948	524,974	87,496	87,496	-
Expenses after allocation	<u>\$ -</u>	<u>\$ 2,890,525</u>	<u>\$ 2,025,707</u>	<u>\$ 106,859</u>	<u>\$ 478,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,627,618</u>	<u>\$ 1,766,034</u>	<u>\$ 128,516</u>	<u>\$ 429,748</u>	<u>\$ 13,057</u>
Budgetary expenditures before administrative allocation	\$ 1,749,914	\$ 1,577,670	\$ 1,241,060	\$ 41,020	\$ 342,252	\$ 13,057	(1,749,914)	1,049,948	524,974	87,496	87,496	-
Administrative allocation	(1,749,914)	1,049,948	524,974	87,496	87,496	-	-	-	-	-	-	-
Expenses after allocation	<u>\$ -</u>	<u>\$ 2,627,618</u>	<u>\$ 1,766,034</u>	<u>\$ 128,516</u>	<u>\$ 429,748</u>	<u>\$ 13,057</u>	<u>\$ -</u>	<u>\$ 2,627,618</u>	<u>\$ 1,766,034</u>	<u>\$ 128,516</u>	<u>\$ 429,748</u>	<u>\$ 13,057</u>

COMPLIANCE SECTION

BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited the basic financial statements of the Asheville Regional Airport Authority, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Asheville Regional Airport Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiency described in the accompanying schedule of findings and responses, finding 2008-1, to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is a material weakness.

In addition, we noted other matters involving the internal control and its operation that we have communicated to management of Asheville Regional Airport Authority in a separate letter dated October 8, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Asheville Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the audit committee, management, others within the organization, members of the Board of Directors, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Burleson & Earley, P.A.
Certified Public Accountants
October 8, 2008

BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND PASSENGER FACILITY CHARGE (PFC) PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133, THE DRAFT OF THE PFC PROGRAM AUDIT COMPLIANCE GUIDE, AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Directors
Asheville Regional Airport Authority
Fletcher, North Carolina

Compliance

We have audited the compliance of the Asheville Regional Airport Authority, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, the draft of the PFC Program Audit Compliance Guide, and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs and PFC program for the year ended June 30, 2008. The Asheville Regional Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and PFC program is the responsibility of the Asheville Regional Airport Authority's management. Our responsibility is to express an opinion on the Asheville Regional Airport Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the draft of the PFC Program Audit Compliance Guide, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, the draft of the PFC Program Audit Compliance Guide, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the PFC program occurred. An audit includes examining, on a test basis, evidence about the Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Asheville Regional Airport Authority's compliance with those requirements.

In our opinion, the Asheville Regional Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and PFC program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and the PFC program. In planning and performing our audit, we considered the Asheville Regional Airport Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or the PFC program in order to determine our auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, the draft of the PFC Program Audit Compliance Guide and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of Directors, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Burleson & Earley, P.A.
Certified Public Accountants
October 8, 2008

ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2008

Section II. Financial Statement Findings

Significant Deficiency

Findings: 12008-1

Criteria:

The Authority has a responsibility to design an internal control system over the preparation of financial statements being audited that provides for complete and accurate information.

Condition:

Significant adjustments were necessary to certain asset and liability accounts.

Effect:

The financial statements that were presented for audit required adjustments that are considered significant.

Cause:

Reconciliation is not occurring at all levels between the subsidiary ledgers and the general ledger.

Recommendation:

We recommend that the Authority establish policies that require reconciliation and provide for oversight and documented approval at various levels of management.

Views of responsible officials and planned corrective actions:

Management agrees with this finding and will implement policies that provide for reconciliation and approval.

Section III. Federal Award Findings and Questioned Costs

Findings: None

Significant Deficiency: None

ASHEVILLE REGIONAL AIRPORT AUTHORITY

CORRECTIVE ACTION PLAN

Year ended June 30, 2008

Section II - Financial Statement Findings

Finding: 2008-1

Name of contact person: Christy Brunson, Finance Manager

Corrective action plan: Management will develop financial policies that require reconciliation and oversight at various levels of management for the financial statements to the subsidiary ledgers.

Proposed completion date: June 30, 2009

Section III - Federal Award Findings and Questioned Costs

Findings: None

Reportable Conditions: None

ASHEVILLE REGIONAL AIRPORT AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended June 30, 2008

- Finding** 07-1
Status: The Authority provided subsidiary ledgers for construction in progress and depreciation that were reconciled to the general ledger. However, there continues to be significant issues related to the reconciliation of all subsidiary ledgers. This finding is not resolved for fiscal year 2008.
- Finding** 03-1
Status: The Authority has added staff to the accounting department and is utilizing other staff members in order to provide for appropriate levels of segregation of duties. The Board continues to be involved in providing some of the required controls.
- Finding** 02-1
Status: same as above.
- Finding** 01-1
Status: same as above.
- Finding** 00-1
Status: same as above.
- Finding** 99-1
Status: same as above.
- Finding** 98-1
Status: same as above.

**ASHEVILLE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND PASSENGER FACILITY CHARGES
COLLECTED AND EXPENDED**

Year ended June 30, 2008

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Direct and Pass-Through Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Grants:				
<u>U.S. Department of Transportation</u>				
Direct Program:				
Airport Improvement Program	20.106	\$ 2,274,602	\$ -	\$ 119,716
		<u>\$ 2,274,602</u>	<u>\$ -</u>	<u>\$ 119,716</u>
 Passenger Facility Charges:				
Capital Improvements				
Application Approved Number		94-01-C-00-AVL		
Beginning Balance Unliquidated PFC		\$ -		
PFC Collateral		1,147,585		
Expenditures		<u>(1,147,585)</u>		
Ending Balance Unliquidated PFC		<u>\$ -</u>		

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Asheville Regional Airport Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



MEMORANDUM

TO: Members of the Airport Authority

FROM: David N. Edwards, Airport Director

DATE: December 12, 2008

ITEM DESCRIPTION – New Business Item B

Authorization to Establish Conservation Easements on Airport Property Bordering the French Broad River

BACKGROUND

Over the last several years Staff has reviewed with the Authority Board the potential to establish conservation easements on certain airport property that borders the French Broad River. The airport property that is being recommended to be placed in a conservation easement is within the flood plain/flood way of the French Broad River and therefore would have limited development possibilities in the future. The establishment of the conservation easements on airport property would help to tie-together other property along the French Broad River that will help enable the development of a future trail system.

ISSUES

Carolina Mountain Land Conservancy (CMLC) proposes to apply to the North Carolina Clean Water Management Trust Fund, a state agency, for funding to purchase a conservation easement on approximately 25 to 28 acres of airport property on the French Broad River.

If the Authority Board authorizes Staff to move forward with the conservation easement proposal, Staff will seek approval from the Asheville City Council to establish such an easement on the property, and approval from the Federal Aviation Administration to utilize such property in this manner.



ALTERNATIVES

The Authority Board could elect not to proceed with the proposal.

FISCAL IMPACT

If the Fund approves the application, an appraiser will value the conservation easement. The rights attributed to a highly restrictive conservation easement usually equal 70% of the value of the unrestricted fee simple title. The Fund will pay up to half of that amount.

RECOMMENDED ACTION

It is respectfully requested that the Asheville Regional Airport Authority resolve to authorize the Airport Director to (1) proceed with establishing conservation easements on certain airport property as outlined above, (2) seek approval from both the City of Asheville and the Federal Aviation Administration for such conservation easements, and (3) execute all necessary documents.

Attachment

Riparian Conservation Makes \$ense:

a proposal by Carolina Mountain Land Conservancy to the
Asheville Regional Airport Authority



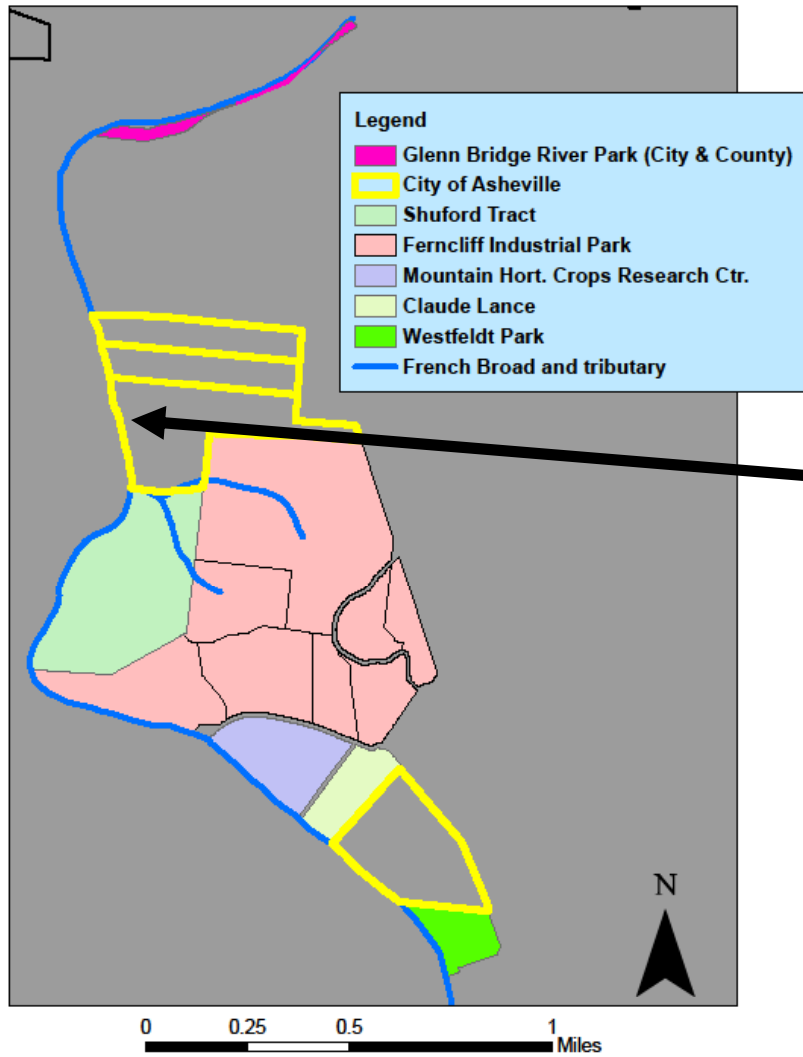
Project Summary

- Carolina Mountain Land Conservancy (CMLC) proposes to apply to the North Carolina Clean Water Management Trust Fund, a state agency, for funding to purchase a conservation easement on 28.3 acres owned by the City of Asheville, managed by ARAA, on the French Broad River.

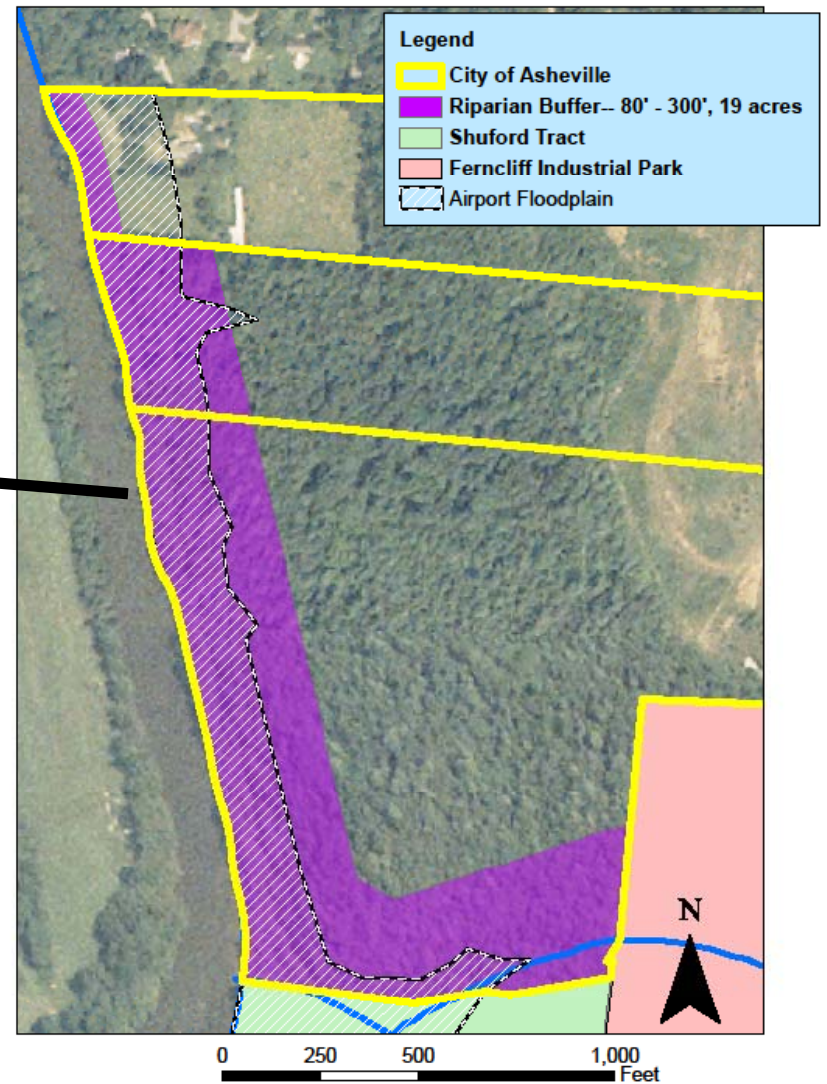
What is a conservation easement?

- A conservation easement is a voluntary, legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. The landowner retains legal title to the land encumbered with the conservation easement.

Project Area #1

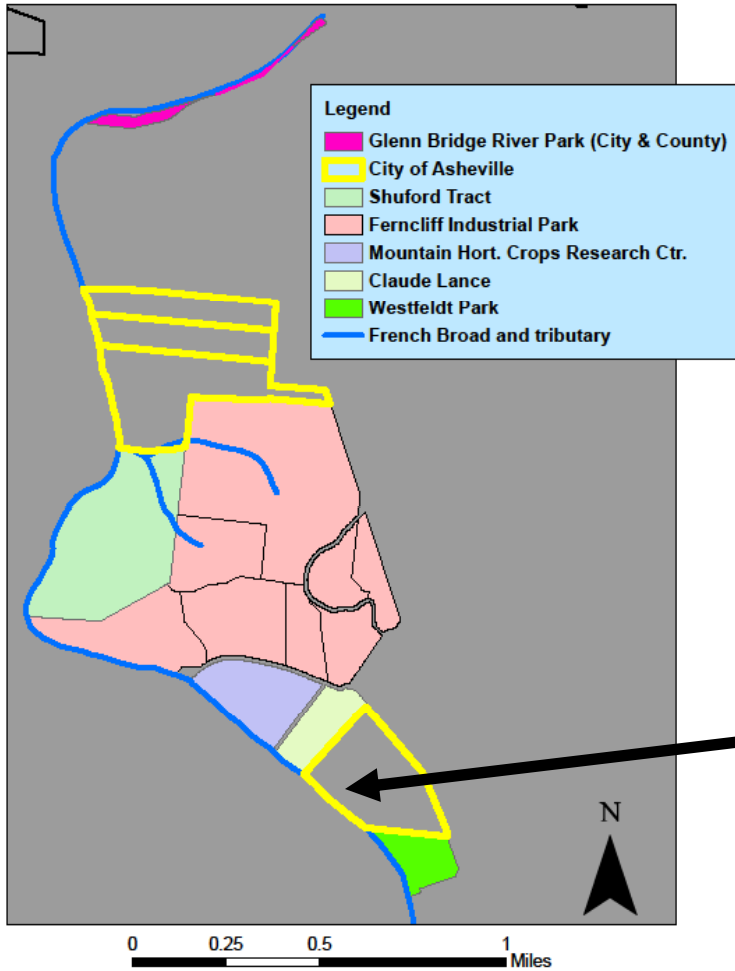


Airport Project -- Contextual View

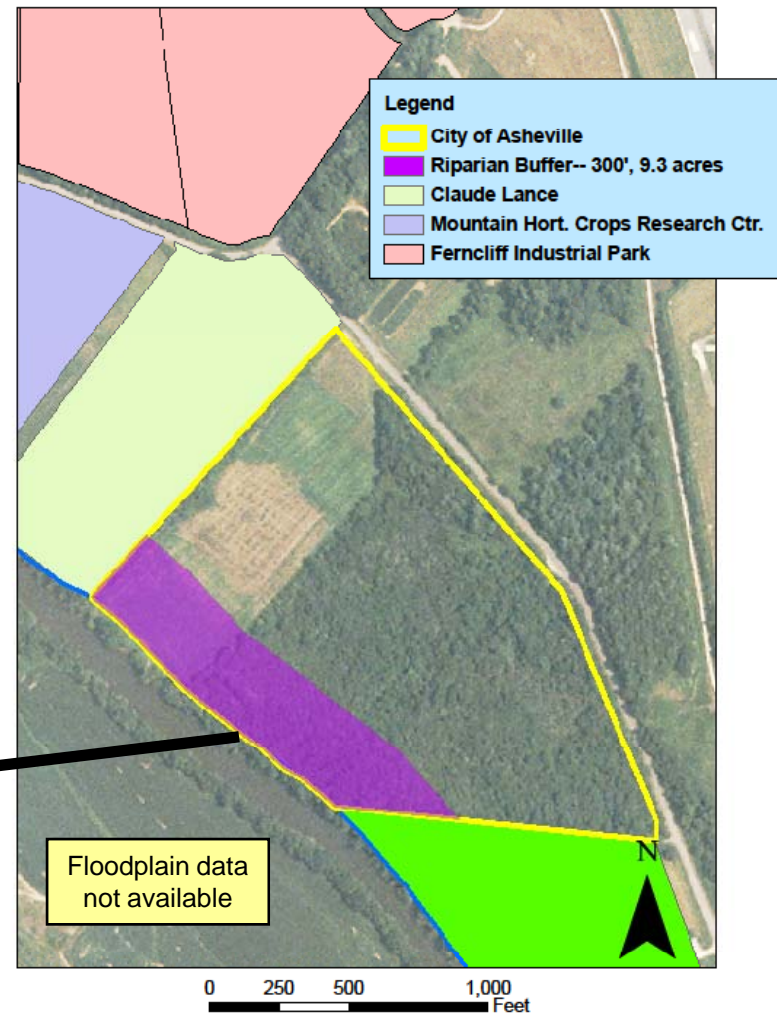


Airport Project -- Riparian Buffer

Project Area #2



Airport Project -- Contextual View



Airport Project -- Riparian Buffer

What Uses Would ARAA Give Up?

The conservation easement would prohibit:

- --building construction
- --agriculture
- --commercial timber harvest
- --most, but not all, soil-disturbing activities

What are the benefits of selling a conservation easement?

- --cash payment to ARAA
- --maintenance of water quality in the French Broad River
- --leaving a legacy of permanently conserved land along the river

Nuts & Bolts of Winning a Grant Award from the NC Clean Water Management Trust Fund

Successful grant applications to the Fund usually share these characteristics:

- the project area as measured from the top of the bank of the watercourse is 300' wide wherever possible
- the landowner is asking for no more than 50% of the value of the conservation easement, and donating the remaining value
- activities that disturb the soil and the growth of a natural, wooded buffer are strictly limited
- public access, while not required, scores additional points on the application

What productive uses remain after the conservation easement?

- **MULTI-USE TRAILS**: the conservation easement will allow for the construction of trails and amenities such as benches, foot bridges, etc. Conserved land along the French Broad serves as an important link in the region's Green Infrastructure by supporting wildlife habitat and permitting the movement of migrating wildlife. Ideally, the conserved tract will become a link in an expanding network of greenways. A number of riparian tracts in the vicinity of the project area are in the public domain.
- **CANOE TRAIL ACCESS**: even without public access to all of the intervening privately owned parcels of land on the French Broad, the project area could become a key stopover on a *canoe trail* stretching from Westfeldt Park downstream to Glenn Bridge River Park upstream.
- **UTILITY ROW**: the conservation easement will permit the passage of existing and future utility crossings.

What is the payout?

- If the Fund approves the application, an appraiser will value the conservation easement. The rights attributed to a highly restrictive conservation easement usually equal 70% of the value of the unrestricted fee simple title. The Fund will pay up to half of that amount. For example, assume the per-acre value of the project area is \$7,000*:

--value of conservation easement = 70% of \$7,000 or \$4,900

--payout from the Fund per acre = 50% of \$4,900/acre or \$2,450/acre

--total payout from the Fund = \$2,450 X 28.3 acres, or \$69,335

*Estimate, not based on appraisal report

Timeline

- The next grant cycle deadline is February 1, 2009.
- The Fund's Board of Trustees will probably vote on the project in August 2009.
- Closing on the conservation easement could occur as early as 1Q 2010.

Town of Fletcher Model

- CMLC, partnering with the Town of Fletcher, has won two grants from the Fund to conserve riparian land along Cane Creek.
- Money paid for conservation easements is used as a matching resource to attract other grants for greenway development and park expansion.
- If our future partners are agreeable, CMLC can similarly work with the City of Asheville and ARAA to implement this model for transformation of the project area into a recreational asset.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Patti L. Michel, Director of Marketing and Public Relations

DATE: December 12, 2008

ITEM DESCRIPTION – New Business Item C

Award of Display Advertising Concession Management Agreement

BACKGROUND

The current Display Advertising Concession agreement at Asheville Regional Airport ("Airport") was for an initial term of 10 years with one ten-year option to renew. Clear Channel Interspace was awarded the concession agreement to operate at the airport. With the pending expiration of the initial agreement, January 31, 2009, staff notified Clear Channel Interspace and other concessionaires that the concession would be put out for proposals.

On October 31, 2008, staff issued an invitation for Proposals for the Management of the Display Advertising Concession at Asheville Regional Airport. Advertisements were placed with AAAE, ACI, AMAC, and on the Authority's website. On November 13, 2008, staff held a pre-proposal conference with the interested companies to discuss the opportunity at the Airport and answer questions concerning the proposal package.

ISSUES

Staff received proposals for the Display Advertising concession at the airport on November 26, 2008. Staff is in the process of reviewing the proposals and conducting interviews and will present the final ranking and recommendation to the Authority Board at the Board meeting on December 12, 2008.



MEMORANDUM

TO: Members of the Airport Authority
FROM: David N. Edwards, Airport Director
DATE: December 12, 2008

ITEM DESCRIPTION – Information Section Item A

October, 2008 Traffic Report – Asheville Regional Airport

SUMMARY

October 2008 overall passenger traffic numbers were up 4.0%. Passenger traffic numbers reflect a 3.6% increase in passenger enplanements from October 2007.

AIRLINE PERFORMANCE

Atlantic Southeast Airlines (ASA): Delta/ASA's October 2008 enplanements increased by 1.0% compared to October 2007. There was one (1) flight cancellation for the month.

Continental Airlines: Continental's October 2008 passenger enplanements increased 6.8% compared to October 2007. There was one (1) flight cancellation for the month.

Northwest Airlines: Year over Year passenger enplanements for Northwest in October 2008 were up 15.3%. There were no flight cancellations for the month.

US Airways: US Airways' October 2008 passenger enplanements represent a 2.0% increase. There was one (1) flight cancellation for the month.

Monthly Traffic Report

Asheville Regional Airport

October 2008



Category	Oct 2008	Oct 2007	Percentage Change	*CYTD-2008	*CYTD-2007	Percentage Change	*MOV12-2008	*MOV12-2007	Percentage Change
Passenger Traffic									
Enplaned	29,182	28,170	3.6%	232,000	243,371	-4.7%	278,047	288,764	-3.7%
Deplaned	<u>29,813</u>	<u>28,553</u>	4.4%	<u>232,635</u>	<u>238,734</u>	-2.6%	<u>276,798</u>	<u>281,875</u>	-1.8%
Total	58,995	56,723	4.0%	464,635	482,105	-3.6%	554,845	570,639	-2.8%
Aircraft Operations									
Airlines	225	207	8.7%	1,320	1,491	-11.5%	1,636	1,863	-12.2%
Commuter /Air Taxi	<u>1,720</u>	<u>1,755</u>	-2.0%	15,957	16,270	-1.9%	18,944	19,260	-1.6%
Subtotal	<u>1,945</u>	<u>1,962</u>	-0.9%	<u>17,277</u>	<u>17,761</u>	-2.7%	<u>20,580</u>	<u>21,123</u>	-2.6%
General Aviation	4,901	5,529	-11.4%	47,044	49,426	-4.8%	55,919	57,060	-2.0%
Military	<u>415</u>	<u>171</u>	142.7%	<u>2,496</u>	<u>1,969</u>	26.8%	<u>2,910</u>	<u>2,328</u>	25.0%
Subtotal	<u>5,316</u>	<u>5,700</u>	-6.7%	<u>49,540</u>	<u>51,395</u>	-3.6%	<u>58,829</u>	<u>59,388</u>	-0.9%
Total	7,261	7,662	-5.2%	66,817	69,156	-3.4%	79,409	80,511	-1.4%
Fuel Gallons									
100LL	25,202	29,425	-14.4%	205,371	249,173	-17.6%	243,686	289,483	-15.8%
Jet A (GA)	130,379	180,039	-27.6%	1,204,317	1,494,219	-19.4%	1,451,507	1,729,319	-16.1%
Subtotal	<u>155,581</u>	<u>209,464</u>	-25.7%	<u>1,409,688</u>	<u>1,743,392</u>	-19.1%	<u>1,695,193</u>	<u>2,018,802</u>	-16.0%
Jet A (A/L)	<u>265,723</u>	<u>248,960</u>	6.7%	<u>2,398,234</u>	<u>2,323,093</u>	3.2%	<u>2,887,121</u>	<u>2,836,550</u>	1.8%
Total	421,304	458,424	-8.1%	3,807,922	4,066,485	-6.4%	4,582,314	4,855,352	-5.6%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Thursday, November 20, 2008

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

October 2008



	Oct 2008	Oct 2007	Percentage Change	*CYTD-2008	*CYTD-2007	Percentage Change
Continental Airlines						
Enplanements	3,196	2,993	6.8%	29,786	26,332	13.1%
Seats	4,400	3,929	12.0%	44,575	34,273	30.1%
Load Factor	72.6%	76.2%	-4.6%	66.8%	76.8%	-13.0%
Delta Air Lines						
Enplanements	11,677	11,564	1.0%	89,240	101,763	-12.3%
Seats	15,648	14,460	8.2%	121,957	130,370	-6.5%
Load Factor	74.6%	80.0%	-6.7%	73.2%	78.1%	-6.3%
Northwest Airlines						
Enplanements	3,715	3,222	15.3%	34,952	30,084	16.2%
Seats	4,450	4,400	1.1%	47,850	42,696	12.1%
Load Factor	83.5%	73.2%	14.0%	73.0%	70.5%	3.7%
US Airways						
Enplanements	10,594	10,391	2.0%	78,022	85,192	-8.4%
Seats	13,830	12,760	8.4%	113,035	114,778	-1.5%
Load Factor	76.6%	81.4%	-5.9%	69.0%	74.2%	-7.0%
Totals						
Enplanements	29,182	28,170	3.6%	232,000	243,371	-4.7%
Seats	38,328	35,549	7.8%	327,417	322,117	1.6%
Load Factor	76.1%	79.2%	-3.9%	70.9%	75.6%	-6.2%

Thursday, November 20, 2008

*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

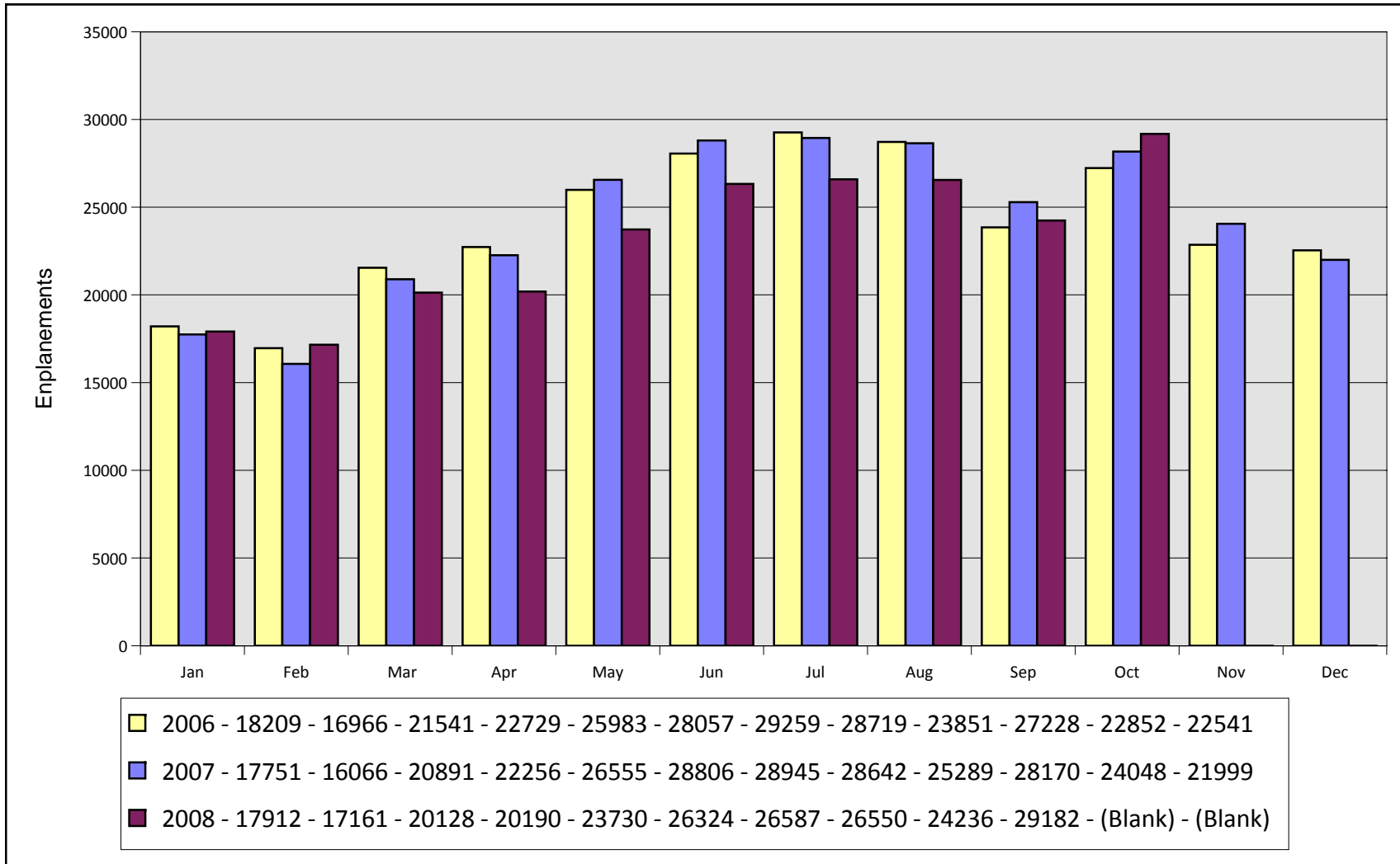
Airline Flight Completions Asheville Regional Airport October 2008



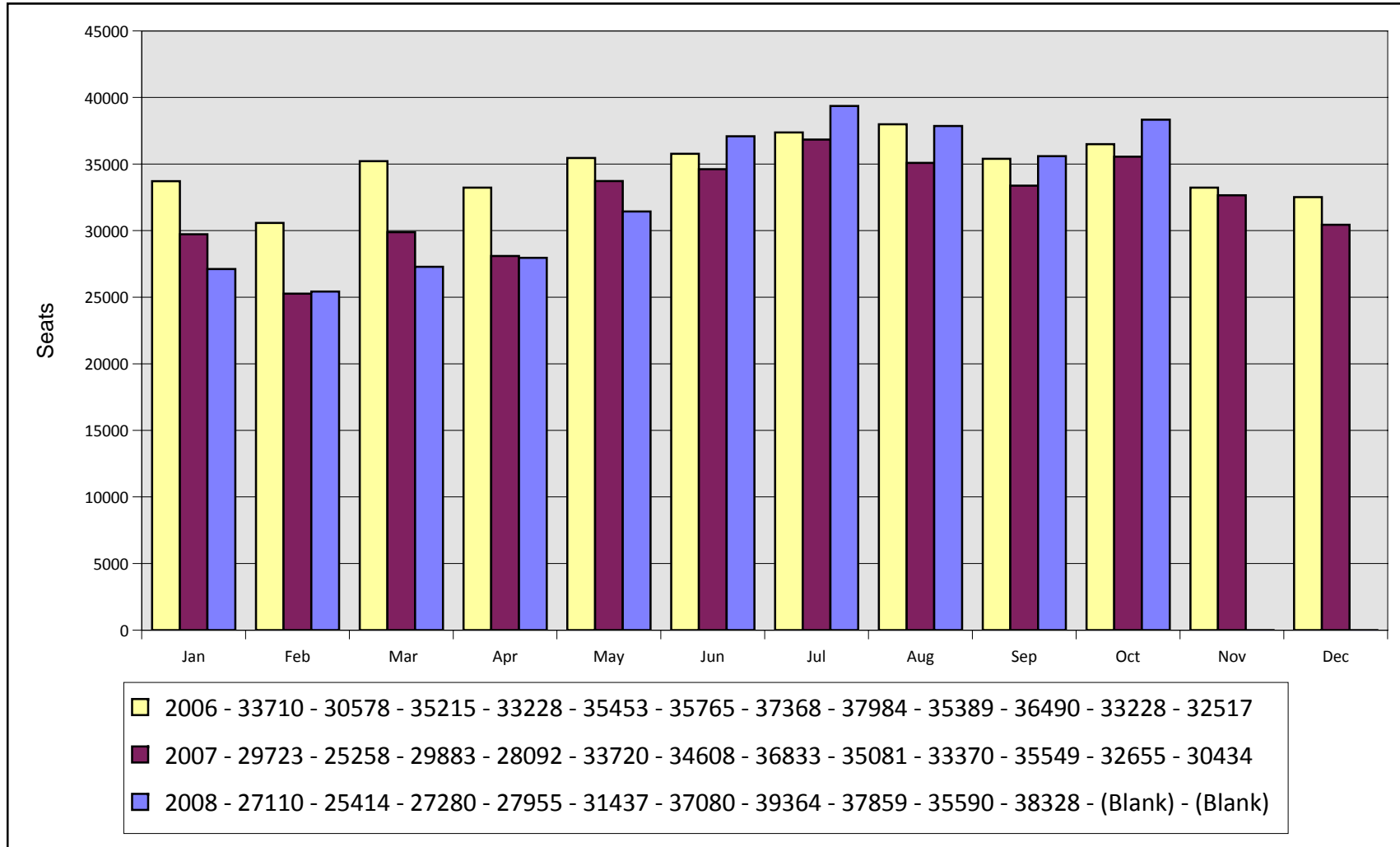
Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Continental Airlines	89	0	0	1	0	1	98.9%
Delta Air Lines	288	0	0	1	0	1	99.7%
Northwest Airlines	89	0	0	0	0	0	100.0%
US Airways	279	0	1	0	0	1	99.6%
Total	745	0	1	2	0	3	99.6%

Thursday, November 20, 2008

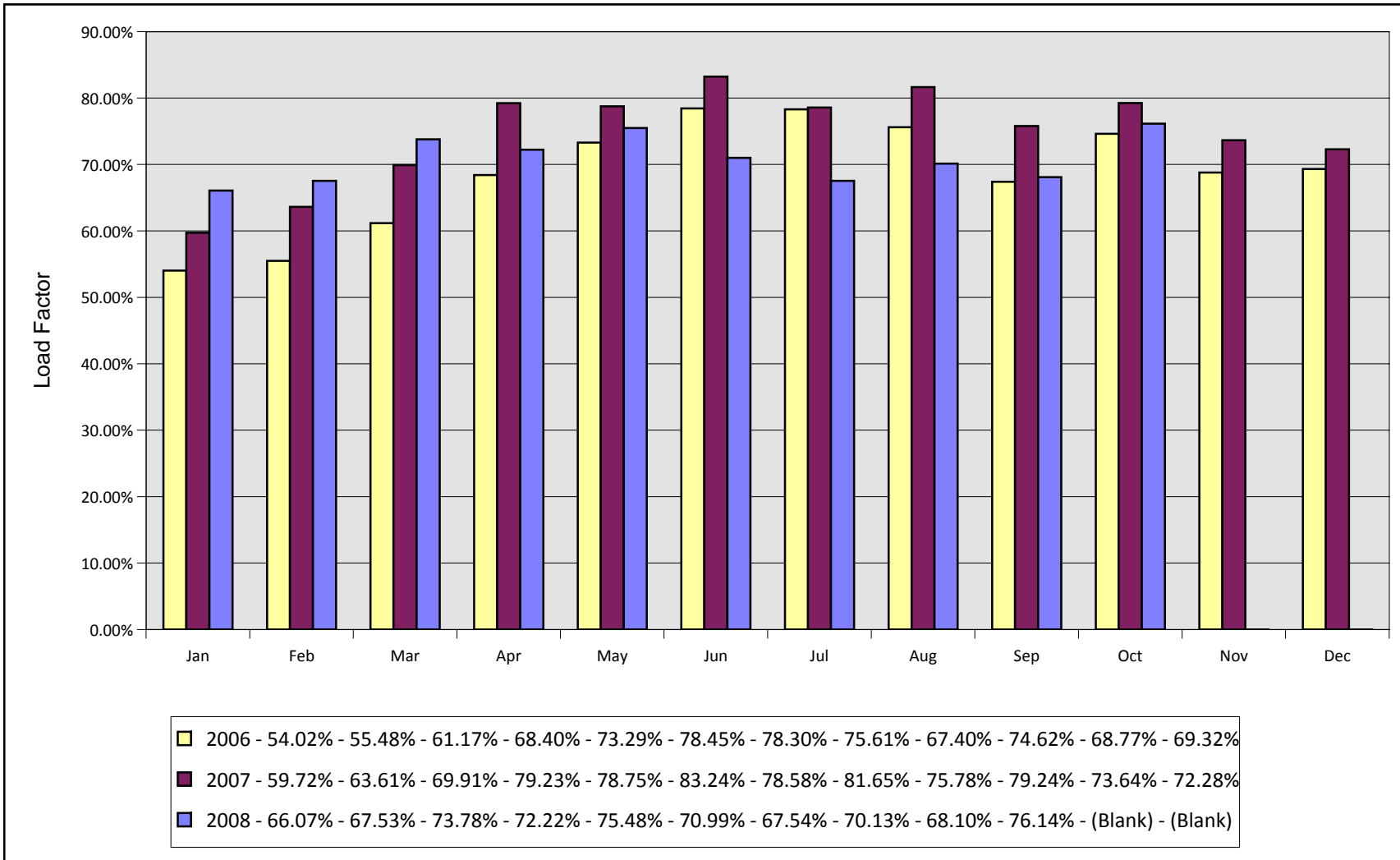
Monthly Enplanements By Year Asheville Regional Airport



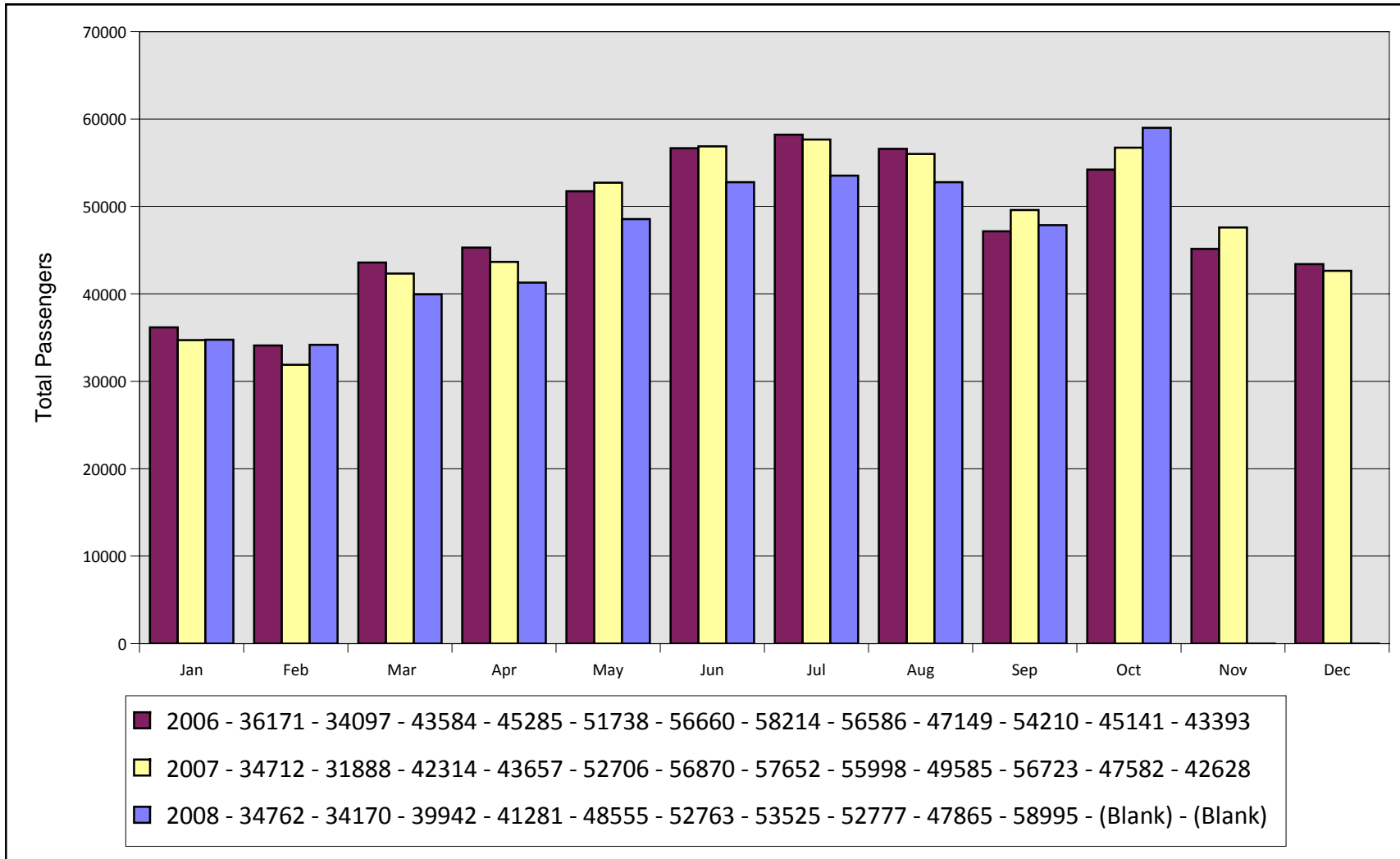
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

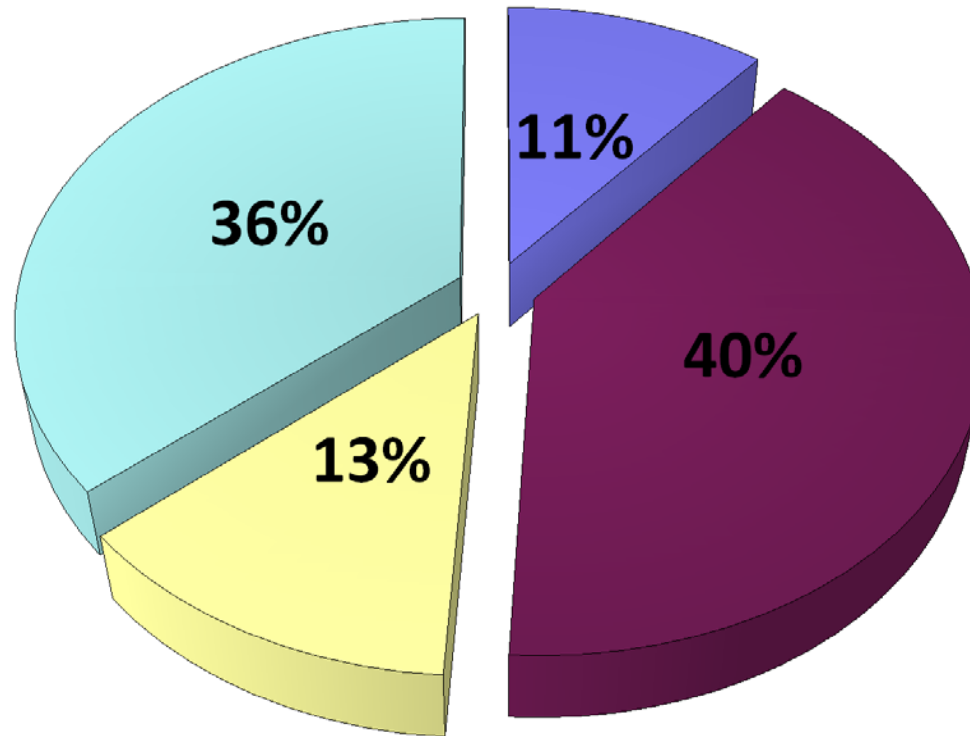


Total Monthly Passengers By Year Asheville Regional Airport

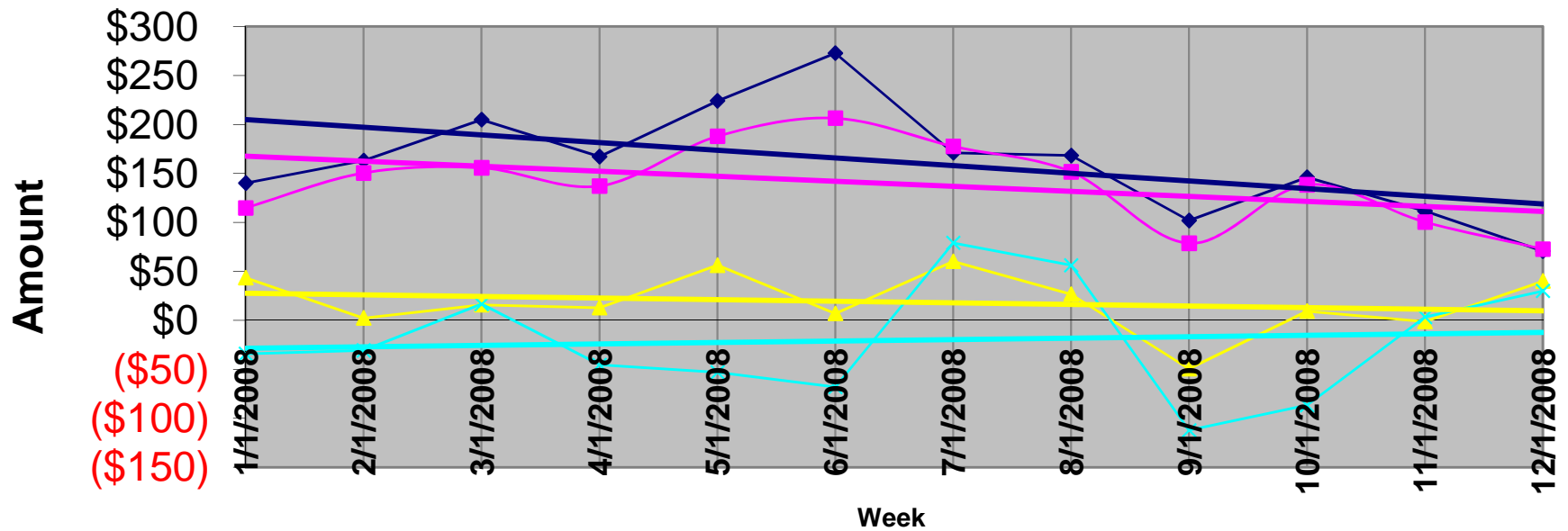


Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From October 2008 Through October 2008



AVL Average Airfare Differences 21 Day Advance Purchase, 3 Day Stay



◆ ATL
 ■ CLT
 ▲ GSP
 ✕ TRI
 — Linear (ATL)
 — Linear (CLT)
 — Linear (GSP)
 — Linear (TRI)

Asheville Regional Airport
Sample airfares as of 12/01/08
0 Day Advance Purchase, 3 day Stay

		<u>Difference in Fares</u>								
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>
ABQ	Albuquerque		\$1,415				(\$1,415)	\$0	\$0	\$0
ATL	Atlanta	\$609		\$477	\$534	\$708	\$609	\$132	\$75	(\$99)
AUS	Austin	\$1,066	\$792	\$751	\$712	\$983	\$274	\$315	\$354	\$83
BWI	Baltimore	\$598	\$708	\$585		\$971	(\$110)	\$13	\$598	(\$373)
BOS	Boston	\$437	\$562	\$228	\$389	\$335	(\$125)	\$209	\$48	\$102
ORD	Chicago	\$336	\$319	\$514	\$593	\$455	\$17	(\$178)	(\$257)	(\$119)
CVG	Cincinnati	\$678	\$528	\$787	\$523	\$437	\$150	(\$109)	\$155	\$241
CLE	Cleveland	\$791	\$500	\$507	\$389	\$585	\$291	\$284	\$402	\$206
DFW	Dallas	\$1,004	\$509	\$861	\$679	\$1,005	\$495	\$143	\$325	(\$1)
DEN	Denver	\$1,594	\$1,343	\$888	\$1,503	\$1,510	\$251	\$706	\$91	\$84
DTW	Detroit	\$507	\$449	\$519	\$836	\$856	\$58	(\$12)	(\$329)	(\$349)
FLL	Fort Lauderdale	\$362	\$365	\$373	\$879	\$357	(\$3)	(\$11)	(\$517)	\$5
RSW	Ft. Myers	\$854	\$418	\$363	\$725	\$877	\$436	\$491	\$129	(\$23)
BDL	Hartford	\$540		\$878	\$425	\$597	\$540	(\$338)	\$115	(\$57)
IAH	Houston	\$1,697	\$624	\$894	\$1,138	\$1,112	\$1,073	\$803	\$559	\$585
IND	Indianapolis	\$497	\$397	\$268	\$266	\$328	\$100	\$229	\$231	\$169
JAX	Jacksonville	\$429	\$363	\$323	\$799	\$280	\$66	\$106	(\$370)	\$149
MCI	Kansas City		\$591	\$573	\$1,197	\$1,206	(\$591)	(\$573)	(\$1,197)	(\$1,206)
LAS	Las Vegas	\$896	\$572	\$285	\$848	\$572	\$324	\$611	\$48	\$324
LAX	Los Angeles		\$972	\$1,081	\$1,301	\$2,169	(\$972)	(\$1,081)	(\$1,301)	(\$2,169)
MHT	Manchester	\$550	\$534	\$659	\$942	\$1,046	\$16	(\$109)	(\$392)	(\$496)
MEM	Memphis	\$1,321	\$398	\$608	\$739	\$646	\$923	\$713	\$582	\$675
MIA	Miami	\$553	\$394	\$517	\$788	\$593	\$159	\$36	(\$235)	(\$40)
MKE	Milwaukee	\$315	\$421	\$261	\$409	\$265	(\$106)	\$54	(\$94)	\$50
MSP	Minneapolis/Saint Paul	\$576	\$463	\$515	\$689	\$1,128	\$113	\$61	(\$113)	(\$552)
BNA	Nashville	\$795	\$686	\$311	\$519	\$1,136	\$109	\$484	\$276	(\$341)
MSY	New Orleans	\$713	\$1,034	\$612	\$964	\$1,009	(\$321)	\$101	(\$251)	(\$296)
LGA	New York	\$643	\$617	\$772	\$614	\$551	\$26	(\$129)	\$29	\$92
EWR	Newark	\$777	\$622	\$397	\$631	\$1,054	\$155	\$380	\$146	(\$277)
MCO	Orlando	\$717	\$355	\$440	\$600	\$472	\$362	\$277	\$117	\$245
PHL	Philadelphia	\$790	\$565	\$648	\$335	\$615	\$225	\$142	\$455	\$175
PHX	Phoenix	\$1,116	\$599	\$404	\$814	\$445	\$517	\$712	\$302	\$671
PIT	Pittsburgh	\$367	\$457	\$248	\$390	\$277	(\$90)	\$119	(\$23)	\$90
PDX	Portland	\$524	\$1,635	\$1,715	\$1,959	\$1,703	(\$1,111)	(\$1,191)	(\$1,435)	(\$1,179)

Asheville Regional Airport
Sample airfares as of 12/01/08
0 Day Advance Purchase, 3 day Stay

PVD	Providence	\$514	\$490	\$587	\$546	\$509	\$24	(\$73)	(\$32)	\$5
RDU	Raleigh/Durham	\$1,119	\$437	\$757	\$712	\$1,019	\$682	\$362	\$407	\$100
RIC	Richmond	\$1,227	\$413	\$596	\$390	\$687	\$814	\$631	\$837	\$540
STL	Saint Louis	\$704	\$339	\$692	\$565	\$741	\$365	\$12	\$139	(\$37)
SLC	Salt Lake City		\$1,045	\$1,345	\$1,524	\$1,537	(\$1,045)	(\$1,345)	(\$1,524)	(\$1,537)
SAT	San Antonio	\$1,396	\$576	\$702	\$956	\$1,326	\$820	\$694	\$440	\$70
SAN	San Diego	\$1,222	\$1,553	\$665	\$1,000		(\$331)	\$557	\$222	\$1,222
SFO	San Francisco		\$1,868	\$1,171	\$1,121	\$939	(\$1,868)	(\$1,171)	(\$1,121)	(\$939)
SRQ	Sarasota/Bradenton	\$664	\$427	\$605	\$716	\$682	\$237	\$59	(\$52)	(\$18)
SEA	Seattle	\$1,583	\$1,256	\$1,155	\$1,361	\$1,210	\$327	\$428	\$222	\$373
SYR	Syracuse	\$575		\$458	\$670	\$614	\$575	\$117	(\$95)	(\$39)
TPA	Tampa	\$327	\$285	\$363	\$783	\$357	\$42	(\$36)	(\$456)	(\$30)
YYZ	Toronto	\$704	\$389	\$709	\$589	\$1,173	\$315	(\$5)	\$115	(\$469)
DCA	Washington DC	\$785	\$734	\$801	\$1,289	\$1,168	\$51	(\$16)	(\$504)	(\$383)
IAD	Washington DC	\$563	\$711	\$618	\$849	\$1,104	(\$148)	(\$55)	(\$286)	(\$541)
PBI	West Palm Beach	\$717	\$446	\$431	\$1,093	\$582	\$271	\$286	(\$376)	\$135
							\$72	\$77	(\$71)	(\$104) Average Fare difference

*These sample airfares were available 12/01/08, based on a 0 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your professional travel agent or visit the following web sites: www.continental.com; www.delta.com; www.nwa.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Asheville Regional Airport
Sample airfares as of 12/01/08
21 Day Advance Purchase, 3 Day Stay

Difference in Fares

		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREEVILLE</u>	<u>TRI-CITIES</u>
ABQ	Albuquerque	\$525	\$362	\$407	\$330	\$408	\$163	\$118	\$195	\$117
ATL	Atlanta	\$370		\$187	\$215	\$300	\$370	\$183	\$155	\$70
AUS	Austin	\$429	\$305	\$318	\$282	\$385	\$124	\$111	\$147	\$44
BWI	Baltimore	\$277	\$287	\$187	\$277	\$241	(\$10)	\$90	\$0	\$36
BOS	Boston	\$280	\$271	\$223	\$332	\$275	\$9	\$57	(\$52)	\$5
ORD	Chicago	\$280	\$257	\$237	\$324	\$267	\$23	\$43	(\$44)	\$13
CVG	Cincinnati	\$220	\$264	\$262	\$259	\$249	(\$44)	(\$42)	(\$39)	(\$29)
CLE	Cleveland	\$315	\$290	\$262	\$259	\$207	\$25	\$53	\$56	\$108
DFW	Dallas	\$331	\$289	\$298	\$310	\$341	\$42	\$33	\$21	(\$10)
DEN	Denver	\$497	\$299	\$353	\$379	\$412	\$198	\$144	\$118	\$85
DTW	Detroit	\$287	\$311	\$267	\$281	\$248	(\$24)	\$20	\$6	\$39
FLL	Fort Lauderdale	\$272	\$159	\$224	\$307	\$265	\$113	\$48	(\$35)	\$7
RSW	Ft. Myers	\$438	\$260	\$288	\$307	\$438	\$178	\$150	\$131	\$0
BDL	Hartford	\$360	\$270	\$219	\$231	\$275	\$90	\$141	\$129	\$85
IAH	Houston	\$345	\$207	\$326	\$323	\$319	\$138	\$19	\$22	\$26
IND	Indianapolis	\$243	\$242	\$198	\$220	\$274	\$1	\$45	\$23	(\$31)
JAX	Jacksonville	\$240	\$229	\$223	\$277	\$267	\$11	\$17	(\$37)	(\$27)
MCI	Kansas City	\$304	\$239	\$208	\$300	\$310	\$65	\$96	\$4	(\$6)
LAS	Las Vegas	\$335	\$308	\$283	\$416	\$325	\$27	\$52	(\$81)	\$10
LAX	Los Angeles	\$475	\$379	\$411	\$438	\$420	\$96	\$64	\$37	\$55
MHT	Manchester	\$300	\$335	\$299	\$335	\$317	(\$35)	\$1	(\$35)	(\$17)
MEM	Memphis	\$413	\$259	\$320	\$240	\$245	\$154	\$93	\$173	\$168
MIA	Miami	\$316	\$219	\$259	\$307	\$311	\$97	\$57	\$9	\$5
MKE	Milwaukee	\$318	\$251	\$227	\$310	\$239	\$67	\$91	\$8	\$79
MSP	Minneapolis/Saint Paul	\$308	\$257	\$312	\$342	\$321	\$51	(\$4)	(\$34)	(\$13)
BNA	Nashville	\$293	\$262	\$237	\$258	\$389	\$31	\$56	\$35	(\$96)
MSY	New Orleans	\$250	\$264	\$218	\$302	\$287	(\$14)	\$32	(\$52)	(\$37)
LGA	New York	\$337	\$288	\$251	\$335	\$300	\$49	\$86	\$2	\$37
EWR	Newark	\$324	\$199	\$251	\$324	\$271	\$125	\$73	\$0	\$53
MCO	Orlando	\$377	\$280	\$197	\$260	\$298	\$97	\$180	\$117	\$79
PHL	Philadelphia	\$337	\$289	\$218	\$236	\$270	\$48	\$119	\$101	\$67
PHX	Phoenix	\$397	\$369	\$338	\$417	\$397	\$28	\$59	(\$20)	\$0
PIT	Pittsburgh	\$266	\$276	\$158	\$261	\$267	(\$10)	\$108	\$5	(\$1)
PDX	Portland	\$681	\$474	\$473	\$441	\$679	\$207	\$208	\$240	\$2

**Asheville Regional Airport
Sample airfares as of 12/01/08
21 Day Advance Purchase, 3 day Stay**

PVD	Providence	\$305	\$270	\$248	\$231	\$240	\$35	\$57	\$74	\$65	
RDU	Raleigh/Durham	\$388	\$229	\$416	\$261	\$428	\$159	(\$28)	\$127	(\$40)	
RIC	Richmond	\$438	\$251	\$269	\$261	\$270	\$187	\$169	\$177	\$168	
STL	Saint Louis	\$359	\$248	\$255	\$272	\$276	\$111	\$104	\$87	\$83	
SLC	Salt Lake City	\$544	\$402	\$447	\$425	\$545	\$142	\$97	\$119	(\$1)	
SAT	San Antonio	\$358	\$293	\$309	\$344	\$371	\$65	\$49	\$14	(\$13)	
SAN	San Diego	\$490	\$403	\$360	\$438	\$433	\$87	\$130	\$52	\$57	
SFO	San Francisco	\$424	\$429	\$398	\$441	\$256	(\$5)	\$26	(\$17)	\$168	
SRQ	Sarasota/Bradenton	\$360	\$258	\$322	\$325	\$397	\$102	\$38	\$35	(\$37)	
SEA	Seattle	\$454	\$459	\$418	\$441	\$504	(\$5)	\$36	\$13	(\$50)	
SYR	Syracuse	\$247	\$339	\$198	\$296	\$180	(\$92)	\$49	(\$49)	\$67	
TPA	Tampa	\$255	\$258	\$254	\$259	\$312	(\$3)	\$1	(\$4)	(\$57)	
YYZ	Toronto	\$417	\$296	\$378	\$409	\$412	\$121	\$39	\$8	\$5	
DCA	Washington DC	\$251	\$289	\$231	\$258	\$251	(\$38)	\$20	(\$7)	\$0	
IAD	Washington DC	\$297	\$289	\$221	\$242	\$256	\$8	\$76	\$55	\$41	
PBI	West Palm Beach	\$441	\$269	\$268	\$427	\$320	\$172	\$173	\$14	\$121	
							\$71	\$73	\$40	\$30	Average Fare difference

*These sample airfares were available 12/01/08, based on a 21 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your professional travel agent or visit the following web sites: www.continental.com; www.delta.com; www.nwa.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Dec08 vs. Dec07

AI	Ops/Week				Seats/Week			
	Dec08	Dec07	Diff	Pct Chg	Dec08	Dec07	Diff	Pct Chg
DL	125	122	3	2.46	6,250	6,338	-88	-1.39
NW	42	40	2	5.00	2,100	2,000	100	5.00
US	98	96	2	2.08	4,758	4,644	114	2.45
CO	28	35	-7	-20.00	1,400	1,646	-246	-14.95
TOTAL	293	293	0	0.00	14,508	14,628	-120	-0.82

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Jan09 vs. Jan08

AI	Ops/Week				Seats/Week			
	Jan09	Jan08	Diff	Pct Chg	Jan09	Jan08	Diff	Pct Chg
CO	28	28	0	0.00	1,400	1,244	156	12.54
NW	40	40	0	0.00	2,000	2,000	0	0.00
US	96	100	-4	-4.00	4,462	4,662	-200	-4.29
DL	81	90	-9	-10.00	4,050	4,482	-432	-9.64
TOTAL	245	258	-13	-5.04	11,912	12,388	-476	-3.84

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Feb09 vs. Feb08

AI	Ops/Week				Seats/Week			
	Feb09	Feb08	Diff	Pct Chg	Feb09	Feb08	Diff	Pct Chg
DL	94	92	2	2.17	4,700	4,672	28	0.60
US	98	96	2	2.08	4,562	4,436	126	2.84
CO	28	28	0	0.00	1,400	1,179	221	18.74
NW	40	40	0	0.00	2,000	2,000	0	0.00
TOTAL	260	256	4	1.56	12,662	12,287	375	3.05

Schedule Compare Report for all Airlines for Passenger flights between AVL and ALL for Mar09 vs. Mar08

AI	Ops/Week				Seats/Week			
	Mar09	Mar08	Diff	Pct Chg	Mar09	Mar08	Diff	Pct Chg
CO	28	28	0	0.00	1,400	1,218	182	14.94
NW	40	40	0	0.00	2,000	2,000	0	0.00
DL	102	104	-2	-1.92	5,100	5,112	-12	-0.23
US	98	100	-2	-2.00	4,588	4,532	56	1.24
TOTAL	268	272	-4	-1.47	13,088	12,862	226	1.76



MEMORANDUM

TO: Members of the Airport Authority
 FROM: Christy Brunson, Finance Manager
 DATE: December 12, 2008

ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances
 Month Ended October 31, 2008 (Month 4 of FY-2009)

SUMMARY

Operating Revenue (page 5 of 13) for the month of October was \$661,820; 6.63% above the budgeted amount. Year-to-date Operating Revenue is 1.12% or \$27,692 below the budget figure. Operating Expenses (page 5 of 13) were 17.98% lower than the budget amount on a year-to-date basis. Passenger Facility Charges earned were \$107,508. Income from Investments was \$17,064 for the month of October. Operating Revenue from operations and land use before depreciation was \$149,977 for the month of October 2008.

REVENUES

Monthly revenues were higher than the budget amount in all but a few areas. These include increases in revenue from Terminal, Hangar, and Parking Lot/Roadway. Operating Revenue for the month of October 2008 was \$3,072 higher than the amount of Operating Revenue at the Airport for the month of October 2007 (\$658,748).

Concessions	(27.58%)	Advertising down 15% due to construction on baggage area and timing of % concessions payment on restaurant and gift shop
Space Rentals – Airline	19.78%	Loading bridge revenue higher than projected
Rental Car – Facility Rent	(40.6%)	Avis and Budget took credits for prior year overpayments against fixed rents and MAG
Landing Fees	(23.92%)	Lower than projected landed weights
FBO's/SASO's	20.37	Higher than projected concessions
Land Leases	(22.40%)	Timing of revenue remittance
Other Leases/Fees	86.01%	Receipt of Avis 2005 payment

Information Section – Item B



Year to date Operating Revenue is \$2,454,987; or 1.12% below the budget figure. A correction was made to the YTD revenue figure for slightly under \$90,000 for the over accrual of landing fees and variable rents for Pinnacle in the 2008 fiscal year. This is reflecting the landing fees for the current year under the actual revenue earned. Two rental car agencies took unauthorized credits against the current month's MAG and fixed rents in the amount of \$22,608. If this revenue had been remitted as owed, the year-to-date operating revenue would have been \$2,477,595. This would have provided a variance of less than 1/10th of 1%.

EXPENSES

Total Operating Expenses for the month were 5.39% lower than the budget amount. Staff continues to reevaluate the 2009 budget and remains cautious on expense items.

Personnel Services	(15.65%)	Delay of filling open positions
Professional Services	(63.19%)	Timing of expenses
Accounting & Auditing	(100.00%)	Timing of expenses
Other Contractual Services	55.88%	Timing of expenses related to startup of janitorial services
Communications & Freight	92.51%	Timing of expenses related to installation of new phone system and RFQ for Advertising services
Utility Services	16.04%	Increases in cost of utilities
Rentals & Leases	326.61%	Timing of expenses related to copier rental and miscellaneous equipment
Repairs & Maintenance	(27.40%)	Timing of expenses related to Terminal upkeep
Printing & Binding	(28.19%)	Timing of expenses related to Marketing purchases
Promotional Activities	80.70%	Timing of annual payments for promotional activities and costs of tenant BBQ
Other Current Charges & Obligations	(60.27%)	Timing of expenses related to credit card processing
Office Supplies	(21.23%)	Timing of purchase office supplies
Operating Supplies	24.74%	Timing of purchase of janitorial supplies and promotional items
Books, Publications, Subscriptions	(46.30%)	Timing of purchases
Contingency	(19.15%)	Timing of purchases
Interest Revenue	(14.68%)	Reductions in interest rates

STATEMENT OF NET ASSETS

There were no significant changes.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
For the Month Ended October 2008**

<u>Institution:</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America			1.93%	\$ 2,740,696	\$ 4,112
Petty Cash				100	
NC Capital Trust				2,689,903	6,647
Restricted Cash:					
PFC Revenue Account			1.23%	454,744	3
Wachovia-Gov. Advantage Acct.			1.04%	1,356,898	231
Rental Car Project Fund			0.34%	749,062	215
CFC Revenue			0.00%	1,179,412	1,156
<u>Commercial Paper:</u>					
General Electric	10/1/2008	03/27/09	3.61%	982,546	3,013
General Electric	10/15/2008	01/16/09	3.890%	990,054	1,688
Total				<u>\$ 11,143,415</u>	<u>\$ 17,064</u>

Investment Diversification:

1.BANKS	39.26%
2.CAP.TRUST	24.14%
3.GOV.ADV.ACCT.	18.90%
4.COM.PAPER	17.70%
5. FED. AGY	0%
	<u>100.00%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended October 2008**

	<u>Month</u>	<u>Prior Period</u>
Cash and Investments Beginning of Period (Month 10-01-08, Prior Period 9-01-08)	\$ 11,081,966	\$ 9,736,444
Net Income before Contributions	149,977	210,140
Depreciation	243,432	243,432
Decrease/(Increase) in Receivables	179,889	(160,868)
Increase/(Decrease) in Payables	312,066	299,087
Decrease/(Increase) in Prepaid Expenses	13,752	(11,529)
Decrease/(Increase) in Long Term Assets	(681,223)	530,521
Contributed Capital		
Capital Funds	(8,910)	(1,750)
Carryback of Payments to Prior Period	(117,359)	266,520
Bonds Payable - Current	(30,175)	(30,031)
Bonds Payable - Non-Current		
Increase(Decrease) in Cash	<u>61,449</u>	<u>1,345,522</u>
Cash and Investments End of Period (10/31/2008)	<u>\$ 11,143,415</u>	<u>\$ 11,081,966</u>

Asheville Regional Airport Authority
Cost Centers Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending October 30th, 2008

	<u>October Actual</u>	<u>October Budget</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:							
Terminal	\$308,284	\$272,657	13.07%	\$1,127,957	\$1,090,628	3.42%	\$3,271,885
Airfield	70,728	85,807	(17.57%)	221,411	343,227	(35.49%)	1,029,681
Hangar	66,661	56,127	18.77%	229,649	224,508	2.29%	763,344
Parking Lot/Roadway	205,393	194,158	5.79%	818,260	776,633	5.36%	2,329,898
Land Use Fees	10,754	11,921	(9.79%)	57,710	47,683	21.03%	143,050
Total Operating Revenue	\$661,820	\$620,670	6.63%	\$2,454,987	\$2,482,679	(1.12%)	\$7,537,858
Operating Expenses:							
Administrative	\$224,560	\$231,520	(3.01%)	\$522,625	\$924,924	(43.50%)	\$2,681,477
Terminal	187,640	201,987	(7.10%)	849,750	807,949	5.17%	2,423,847
Airfield	97,593	104,716	(6.80%)	392,532	418,865	(6.29%)	1,256,595
Hangar	-	614	(100.00%)	-	2,454	-	7,363
Parking Lot	-	1,534	(100.00%)	-	6,136	(100.00%)	18,408
Rental Car Service Facility	2,050	-	-	8,009	-	-	-
Land Use Expenses	-	614	(100.00%)	901	2,454	(63.28%)	7,363
Total Operating Expenses	\$511,843	\$540,985	(5.39%)	\$1,773,817	\$2,162,782	(17.98%)	\$6,395,053
Operating Revenue before Depreciation							
	\$149,977	\$79,685	88.21%	\$681,170	\$319,897	112.93%	\$1,142,805
Depreciation	243,432	230,705	5.52%	976,270	989,434	(1.33%)	2,768,461
Operating Income(Loss) Before Non-Operating Revenue and Expenses							
	(\$93,455)	(\$151,020)	(38.12%)	(\$295,100)	(\$669,537)	(55.92%)	(\$1,625,656)
Non-Operating Revenue and Expense							
Customer Facility Charges	59,380	66,250	(10.37%)	271,300	265,000	2.38%	795,000
Passenger Facility Charges	107,508	100,000	7.51%	272,096	400,000	(31.98%)	1,200,000
Interest Revenue	17,064	20,000	(14.68%)	65,565	80,000	(18.04%)	240,000
Interest Expense	(22,060)	(22,060)	0.00%	(89,106)	(89,106)	0.00%	(260,282)
Sale of Assets	-	-	-	-	-	0.00%	-
Non-Operating Revenue-Net	\$161,892	\$164,190	(1.40%)	\$519,855	\$655,894	(20.74%)	\$1,974,718

Income (Loss) Before Capital Contributions	<u>\$68,437</u>	<u>\$13,170</u>	<u>419.64%</u>	<u>\$224,755</u>	<u>(\$13,643)</u>	<u>(1,747.40%)</u>	<u>\$349,062</u>
Capital Contributions	\$0	\$0	0.00%	\$1,125,716	\$0	0.00%	\$0
Increase in Net Assets	<u><u>\$68,437</u></u>	<u><u>\$13,170</u></u>	<u><u>419.64%</u></u>	<u><u>\$1,350,471</u></u>	<u><u>(\$13,643)</u></u>	<u><u>(9,998.64%)</u></u>	<u><u>\$349,062</u></u>

Asheville Regional Airport Authority
Detailed Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending October 30th, 2008

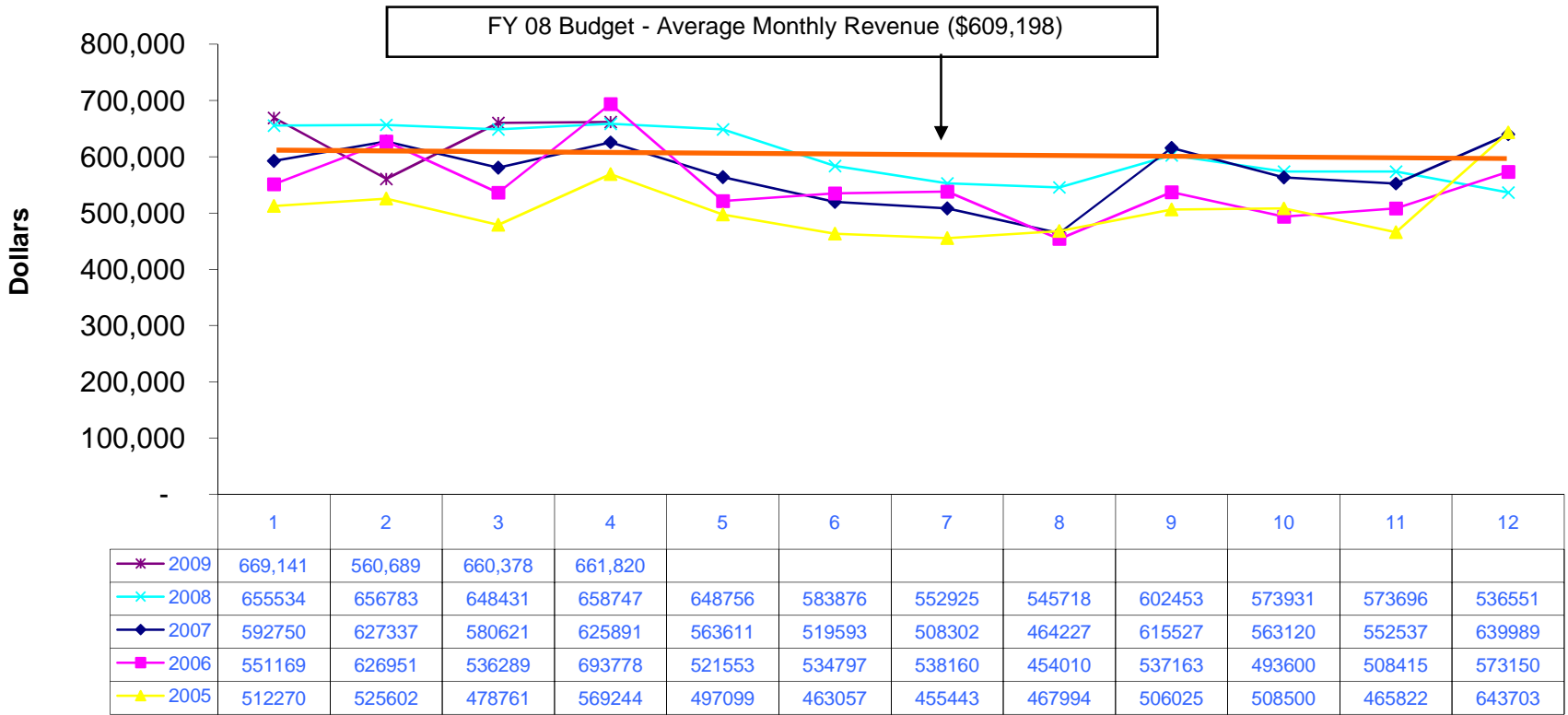
	<u>October Actual</u>	<u>October Budget</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:							
Terminal Space Rentals - Non Airline	\$15,142	\$15,633	(3.14%)	\$61,676	\$62,533	(1.37%)	\$187,600
Terminal Space Rentals - Airline	108,979	90,982	19.78%	346,572	363,928	(4.77%)	1,091,785
Concessions	7,369	10,175	(27.58%)	43,022	40,700	5.71%	122,100
Auto Parking	203,263	193,107	5.26%	807,501	772,427	4.54%	2,317,280
Rental Car - Car Rentals	114,677	109,167	5.05%	477,130	436,667	9.27%	1,310,000
Rental Car - Facility Rent	21,341	40,727	(47.60%)	131,694	162,907	(19.16%)	488,720
Commercial Ground Transportation	1,195	1,052	13.59%	9,823	4,206	133.55%	12,618
Landing Fees	40,982	53,867	(23.92%)	104,286	215,465	(51.60%)	641,395
FBO'S/SASO'S	67,561	56,127	20.37%	233,249	224,508	3.89%	768,344
Building Leases	8,753	9,296	(5.84%)	27,612	37,183	(25.74%)	111,550
Land Leases	2,037	2,625	(22.40%)	27,433	10,500	161.27%	31,500
Other Leases/Fees	70,521	37,912	86.01%	184,989	151,655	21.98%	454,966
Total Operating Revenue	\$661,820	\$620,670	6.63%	\$2,454,987	\$2,482,679	(1.12%)	\$7,537,858
Operating Expenses:							
Personnel Services	\$247,862	\$293,846	(15.65%)	\$980,995	\$1,202,602	(18.43%)	\$3,612,562
Professional Services	5,984	20,107	(70.24%)	47,589	80,428	(40.83%)	195,085
Accounting & Auditing	-	2,854	(100.00%)	6,928	11,417	(39.32%)	34,250
Other Contractual Services	85,462	54,824	55.88%	205,600	212,853	(3.41%)	639,522
Travel & Training	16,352	16,721	(2.21%)	42,819	70,783	(39.51%)	198,500
Communications & Freight	7,708	4,058	89.95%	18,440	16,249	13.48%	48,118
Utility Services	32,014	27,589	16.04%	116,753	106,827	9.29%	368,158
Rentals & Leases	3,767	883	326.61%	9,193	3,531	160.35%	10,592
Insurance	17,978	17,292	3.97%	69,856	69,167	1.00%	207,500
Repairs & Maintenance	32,962	45,403	(27.40%)	97,115	137,452	(29.35%)	333,388
Printing & Binding	12,741	16,958	(24.87%)	43,776	66,217	(33.89%)	201,031
Promotional Activities	10,439	5,256	98.61%	27,847	38,400	(27.48%)	64,825
Other Current Charges & Obligations	2,046	5,150	(60.27%)	9,696	20,600	(52.93%)	61,800
Office Supplies	1,106	1,404	(21.23%)	4,709	6,317	(25.46%)	17,550
Operating Supplies	26,844	21,620	24.16%	81,476	88,863	(8.31%)	260,990
Books, Publications, Subscriptions & Mem	1,841	3,212	(42.68%)	4,288	15,844	(72.94%)	41,182
Contingency	6,737	3,808	76.92%	6,737	15,232	(55.77%)	100,000
Total Operating Expenses	\$511,843	\$540,985	(5.39%)	\$1,773,817	\$2,162,782	(17.98%)	\$6,395,053

Operating Revenue before Depreciation	\$149,977	\$79,685	88.21%	\$681,170	\$319,897	112.93%	\$1,142,805
Depreciation	<u>243,432</u>	<u>247,359</u>	<u>(1.59%)</u>	<u>976,270</u>	<u>989,434</u>	<u>(1.33%)</u>	<u>2,968,302</u>
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$93,455)	(\$167,674)	(44.26%)	(\$295,100)	(\$669,537)	(55.92%)	(\$1,825,497)
Non-Operating Revenue and Expense							
Customer Facility Charges	59,380	66,250	(10.37%)	271,300	265,000	2.38%	795,000
Passenger Facility Charges	107,508	100,000	7.51%	272,096	400,000	(31.98%)	1,200,000
Interest Revenue	17,064	20,000	(14.68%)	65,565	80,000	(18.04%)	240,000
Interest Expense	(22,060)	(22,060)	0.00%	(89,106)	(89,106)	0.00%	(260,282)
Sale of Assets				-		0.00%	
Non-Operating Revenue-Net	<u>\$161,892</u>	<u>\$164,190</u>	<u>(1.40%)</u>	<u>\$519,855</u>	<u>\$655,894</u>	<u>(20.74%)</u>	<u>\$1,974,718</u>
Income (Loss) Before Capital Contributions	<u>\$68,437</u>	<u>(\$3,484)</u>	<u>(2,064.32%)</u>	<u>\$224,755</u>	<u>(\$13,643)</u>	<u>(1,747.40%)</u>	<u>\$149,221</u>
Capital Contributions	\$0	\$0	0.00%	\$1,125,716	\$0	0.00%	\$0
Increase in Net Assets	<u><u>\$68,437</u></u>	<u><u>(\$3,484)</u></u>	<u><u>(2,064.32%)</u></u>	<u><u>\$1,350,471</u></u>	<u><u>(\$13,643)</u></u>	<u><u>(9,998.64%)</u></u>	<u><u>\$149,221</u></u>

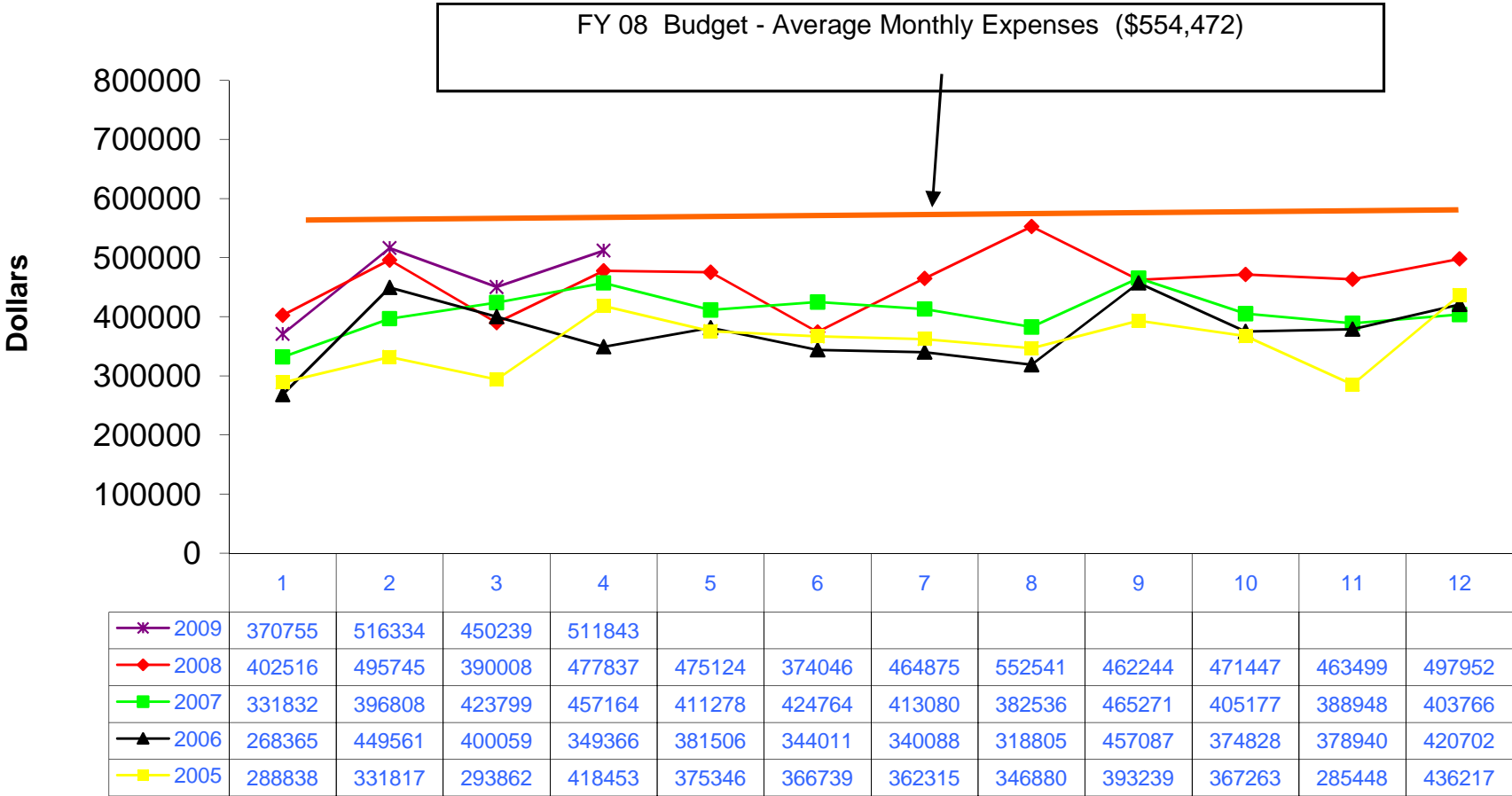
ASHEVILLE REGIONAL AIRPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
October 31, 2008

	<u>October</u>	<u>Last Month</u>
ASSETS		
Current Assets		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$5,430,699	\$5,407,064
Investments	1,972,600	0
Accounts Receivable	859,890	1,069,475
Prepaid Expenses	160,799	174,551
Total Unrestricted Assets	<u>8,423,988</u>	<u>6,651,090</u>
Restricted Assets:		
Capital Funds	110,807	101,897
Cash and Cash Equivalents	3,740,116	5,654,387
Receivables		
Passenger Facility Charge Funds: Receivables		
Total Restricted Assets	<u>3,850,923</u>	<u>5,756,284</u>
Total Current Assets	12,274,911	12,407,374
Noncurrent Assets		
Capital Assets	17,171,182	16,489,959
Property and Equipment - Net	38,493,213	38,736,645
TOTAL ASSETS	<u><u>\$67,939,306</u></u>	<u><u>\$67,633,978</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$676,234	\$364,168
Total Payable from Unrestricted Assets	676,234	364,168
Payable from Restricted Assets:		
Construction Contracts Payable	605,319	605,319
Construction Contract Retainages	762,213	762,213
Bonds Payable - Current Portion	246,705	276,880
Total Payable From Restricted Assets	<u>1,614,237</u>	<u>1,644,412</u>
Total Current Liabilities	2,290,471	2,008,580
Non-Current Liabilities:		
Rental Car Project Bond	4,295,086	4,295,086
Total Non-Current Liabilities	<u>4,295,086</u>	<u>4,295,086</u>
Total Liabilities	6,585,557	6,303,666
Net Assets:		
Invested in Capital Assets	38,493,213	38,736,645
Unrestricted	<u>22,860,536</u>	<u>22,593,667</u>
Total Net Assets	<u>61,353,749</u>	<u>61,330,312</u>
TOTAL LIABILITIES	<u><u>\$67,939,306</u></u>	<u><u>\$67,633,978</u></u>

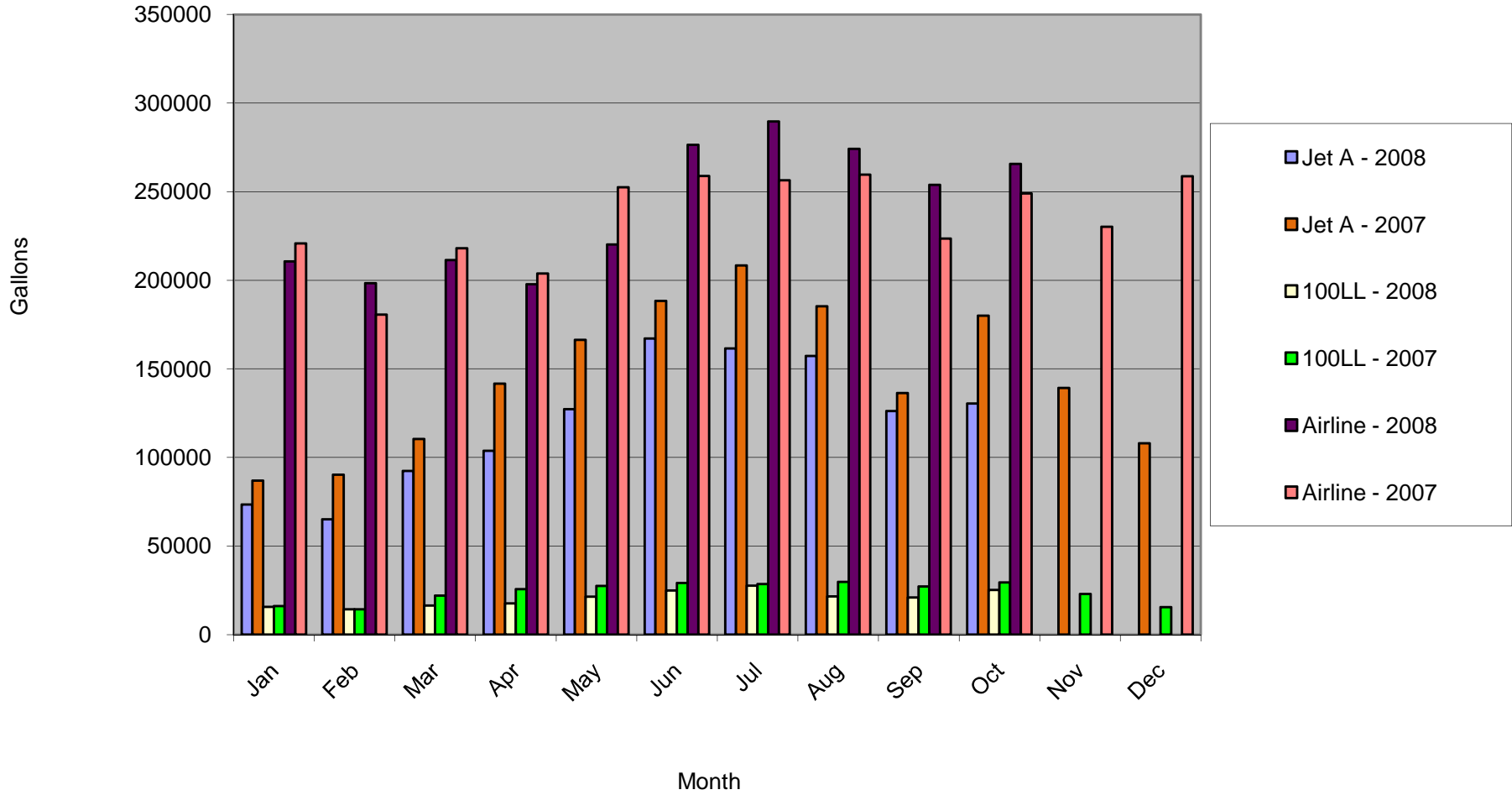
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month October 2008



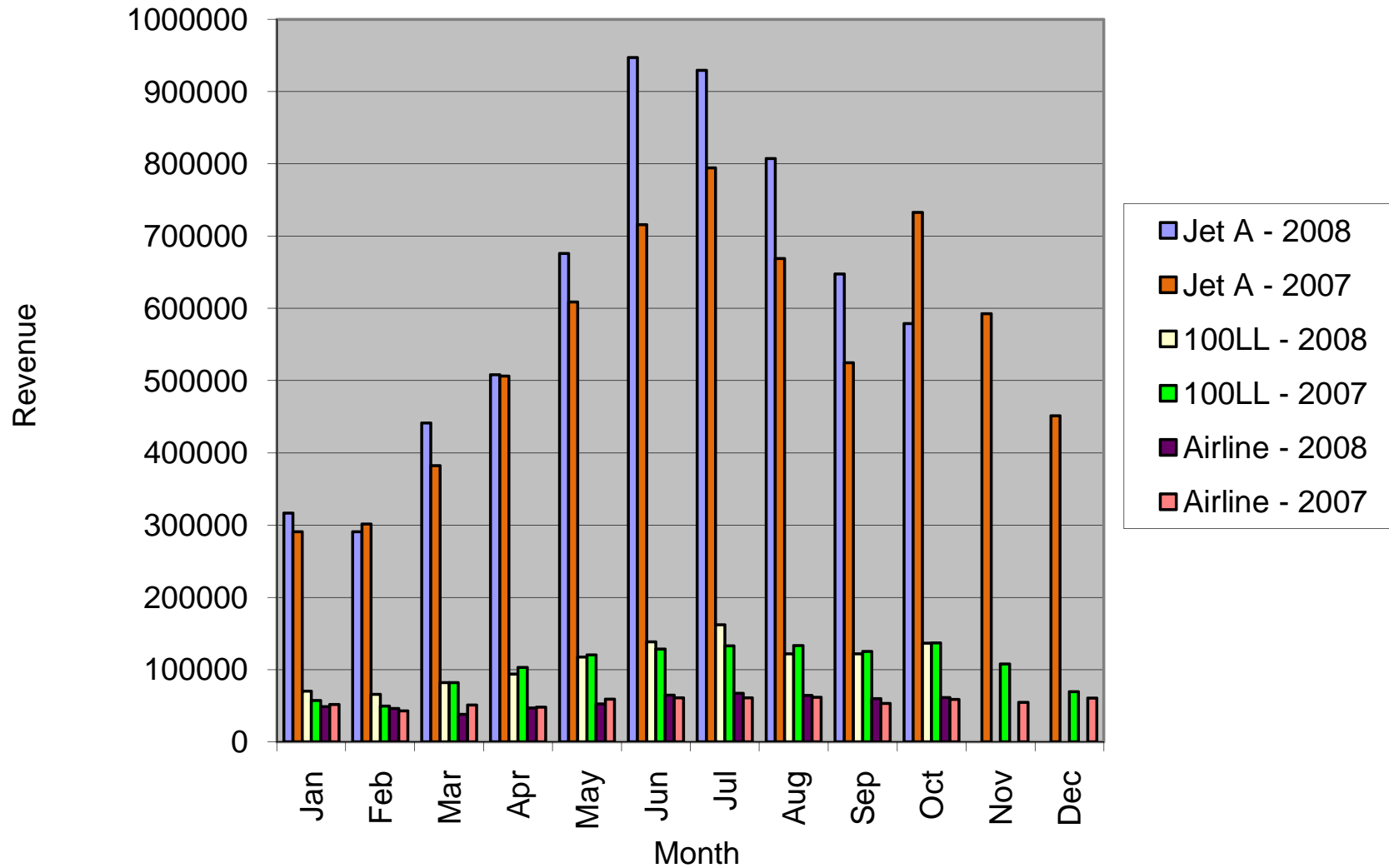
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month October 2008



AVL Fuels Sales - Gallons October 2008



AVL Fuels Sales - Revenue October 2008





MEMORANDUM

TO: Members of the Airport Authority

FROM: Patti L. Michel, Director of Marketing and Public Relations

DATE: December 12, 2008

ITEM DESCRIPTION – Information Section Item C

December, 2008 Marketing and Public Relations Report

- Star 104.3 –12 Days of Christmas promotion winner being drawn Dec. 5
- Opened new Art in the Airport Exhibit 7. On display in this exhibit are 38 original pieces of artwork, including steel sculpture, acrylic paintings, hand-woven fabric, woodcuts and more. The exhibit runs through March 3, 2009 and showcases the work of eight artists from Buncombe, Mitchell, Rutherford and Yancey Counties. For the first time since the program's inception, artwork will be displayed in other areas of the terminal and in the dedicated gallery space.
- Met with WOXL for advertising buy; met with Asheville Tourists regarding 2009 sponsorship; discussed placement of pre-empted ads from WLOS due to political and rescheduled for December
- Attended – Air Service Roundtable discussion
- Holiday Choirs and Holiday decoration contest underway
- Completed artwork for WNC Magazine; Holiday Decoration Contest Flyer; Southern Living ads: Texas Living, Florida Living and Midwest Living
- Business Travel Forum follow up survey information (attached)
- Hired new Guest Services Coordinator - David King
- Received an average of 27 phone calls per day during business hours

Information Section – Item C



- Received/responded to 10 media calls during month of November
- Website Statistics - Google Analytics: See attached data regarding November activity at www.flyavl.com
- Booking Engine Statistics – Since November 1, AVL has had a total of 29 hotel, air and rental car reservations for a total of \$224.00 in booking fees collected. 379 new people signed up to be booking engine members.



Asheville Regional Airport Custom Surveys & Forms Administration Area

[HOME](#) » [Manage Forms](#) » [Business Travel Forum Survey \(12-2-08\)](#) » [View Activity](#) » 11/05/08 to 12/05/08

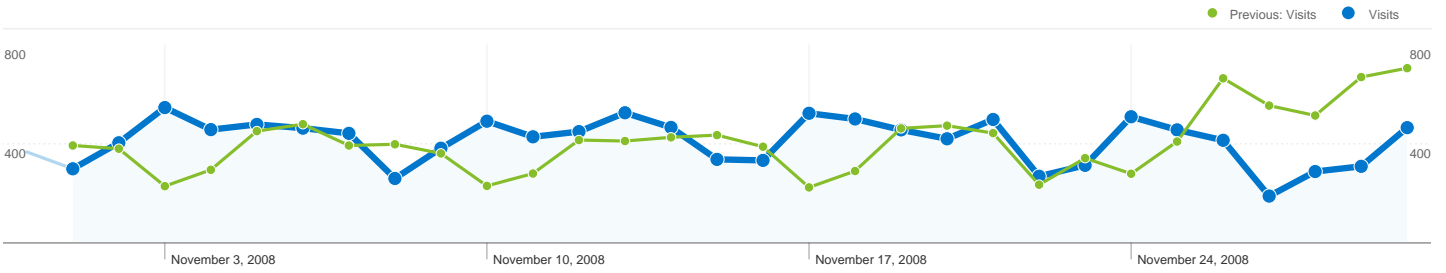
Show Activity From: - - To - -

Date span of recorded activity: 12/02/2008 to 12/03/2008

Form Field	# Answers	
Name	36	export
Title	36	export
Business Name	36	export
Address	35	export
City	35	export
State	35	export
Zip	35	export
Phone	34	export
E-mail:	28	export
Booking Travel	35	export
travel for everyone in my company - 5 (14%)		
my own individual travel - 21 (60%)		
neither, someone else books my travel - 11 (31%)		
How many times do you fly each year on business?	35	export
I don't fly - 2 (6%)		
1-2 - 8 (23%)		
3-5 - 8 (23%)		
6-10 - 6 (17%)		
More than 10 - 11 (31%)		
Please rank the following factors:	35	export
Which new non-stop would best benefit your company?	31	export
Chicago - 6 (19%)		
Boston - 3 (10%)		
Tampa - 1 (3%)		
Washington, D.C. - 5 (16%)		
Ft. Lauderdale - 0 (0%)		
San Francisco - 0 (0%)		
Los Angeles - 4 (13%)		
Philadelphia - 2 (6%)		
Orlando - 1 (3%)		
New York - 1 (3%)		
PGH; Cleveland - 1 (3%)		
St. Louis - 1 (3%)		
Nashville - 1 (3%)		
Lansing or Grand Rapids, Mi - 1 (3%)		
Dallas, TX - American Eagle - 1 (3%)		
Dallas, TX - 1 (3%)		
Nasheville, TN - 1 (3%)		
Dallas - 1 (3%)		
Would your company be intersted in a corporate parking program?	0	export
Yes - 0 (0%)		
Yes, with direct billing - 0 (0%)		
No - 0 (0%)		
How many people from your company travel on business?	35	export
1-5 - 14 (40%)		

6-10 - 9 (26%)		
11-15 - 4 (11%)		
16 or more - 8 (23%)		
By percentage, please show which airport is used most often:	35	export
What do you like best about AVL?	34	export
Close to business/home - 32 (94%)		
Business Center - 0 (0%)		
Routes/Destinations - 3 (9%)		
Can book tickets at www.flyavl.com - 0 (0%)		
Free WiFi - 2 (6%)		
easy in & out/ parking - 1 (3%)		
What services would you like to see offered at AVL?	21	export
Phone in Business Center - 1 (5%)		
Copy Center/faxing - 2 (10%)		
Shipping/postage service - 1 (5%)		
Currency Exchange - 1 (5%)		
Skycaps - 5 (24%)		
Valet Parking - 5 (24%)		
More food choices - 13 (62%)		
Concierge Service (reservations) - 1 (5%)		
Parking lot shuttle - 3 (14%)		
Spa services - 2 (10%)		
Shoe shine - 4 (19%)		
What type of radio station do you listen to?	34	export
96.5 - Classic Hits - 13 (38%)		
99.9 - Kiss Country - 9 (26%)		
105.9 - The Mountain - Rock - 1 (3%)		
104.3 - Star - Top 40 / AC - 1 (3%)		
570 - Talk Radio - 5 (15%)		
104.9 - Rock - 1 (3%)		
98.1 - The River - 2 (6%)		
880 - The Revolution - 1 (3%)		
1470 - WHKP Hendersonville - 0 (0%)		
88.7 - Classical/Public Radio - 9 (26%)		
Satellite - 6 (18%)		
ESPN Sports - 1 (3%)		
102.5 - 1 (3%)		
106.9 - 1 (3%)		
1240am - 1 (3%)		
88.1 WCQS - 1 (3%)		
106.9 WMIT - 1 (3%)		
106.9 Christian Radio - 1 (3%)		
What TV network do you prefer for news?	34	export
ABC - 13 - 19 (56%)		
CBS - 3 (9%)		
NBC - 4 (12%)		
CNN - 13 (38%)		
FOX - 13 (38%)		
MSNBC - 3 (9%)		
Weather Channel - 0 (0%)		
Bloomberg - 0 (0%)		
CSPAN - 1 (3%)		
WMYA-TV - 1 (3%)		
When AVL implements a frequent traveler program...	33	export
Free parking - 22 (67%)		
Coupons for free beverages - 5 (15%)		
Coupons for area restaurants - 6 (18%)		
AVL gear - 1 (3%)		
Reserved parking spaces - 10 (30%)		
Lower Fares - 1 (3%)		
What print media do you prefer?	32	export
Citizen Times - 27 (84%)		
Times News - 6 (19%)		

Tryon Daily Bulletin - 0 (0%)		
WNC Business Journal - 5 (16%)		
Business North Carolina Magazine - 3 (9%)		
WNC Magazine - 3 (9%)		
Southern Living - 1 (3%)		
Sophie Magazine - 1 (3%)		
Mountain Xpress - 5 (16%)		
Bold Life - 0 (0%)		
Carolina Home - 1 (3%)		
The Laurels of Asheville - 2 (6%)		
The Mountaineer - 0 (0%)		
Smoky Mountain News - 1 (3%)		
Take 5 - 1 (3%)		
NY Times - 2 (6%)		
USA Today, Wallstreet Journal - 1 (3%)		
the internet - 1 (3%)		
USA Today - 1 (3%)		
Transylvania Time - 1 (3%)		
Daily Courier - 1 (3%)		
WSJ, Forbes - 1 (3%)		
What TV network do you prefer for entertainment?	28	export
ABC - 13 - 12 (43%)		
CBS - 7 (25%)		
NBC - 4 (14%)		
FOX - 11 (39%)		
ESPN - 12 (43%)		
FOOD - 2 (7%)		
HGTV - 2 (7%)		
Lifetime - 1 (4%)		
TBS - 1 (4%)		
TNT - 4 (14%)		
Spike - 0 (0%)		
USA - 2 (7%)		
HBO - 1 (4%)		
WMYA-TV - 1 (4%)		
A&E - 1 (4%)		
Discovery - 1 (4%)		
HBO, History Channel - 1 (4%)		
Would you like to subscribe to our monthly E-Newsletter?	16	export
What can we do to improve travel out of AVL?	12	export
Additional Comments	2	export
<hr/>		
Total Number of Form Submissions	36	Full Data Export



Site Usage

12,369 Visits

Previous: 12,227 (1.16%)

34.64% Bounce Rate

Previous: 35.95% (-3.62%)

48,323 Pageviews

Previous: 45,872 (5.34%)

00:05:25 Avg. Time on Site

Previous: 00:06:45 (-19.64%)

3.91 Pages/Visit

Previous: 3.75 (4.13%)

65.21% % New Visits

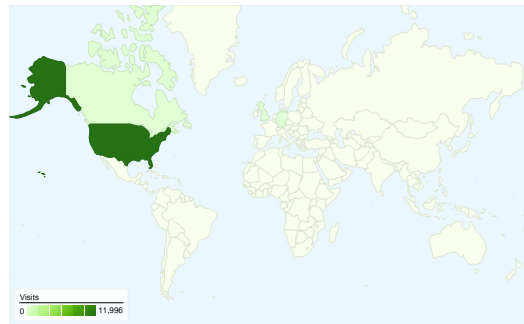
Previous: 68.86% (-5.30%)

Visitors Overview

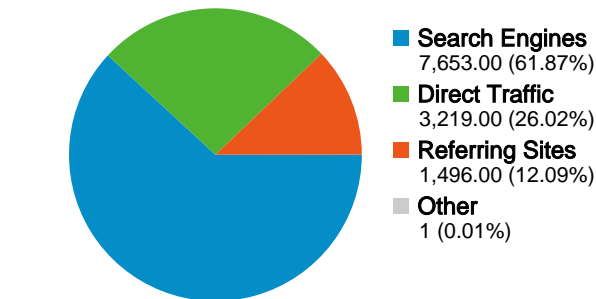


Visitors
9,001

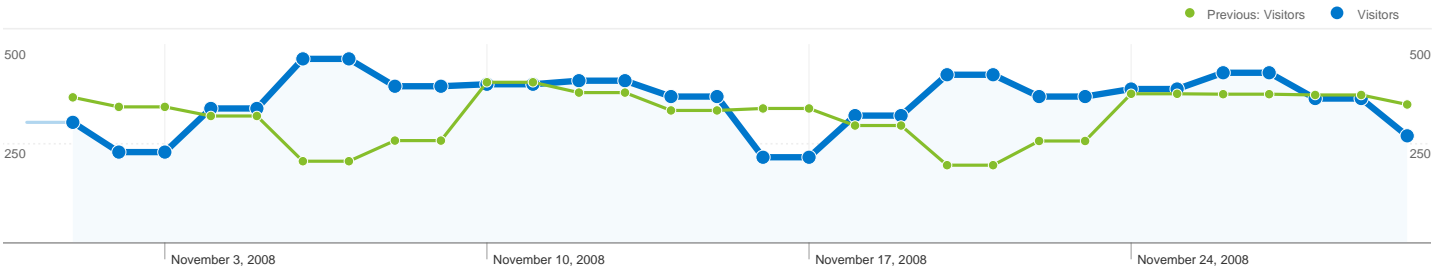
Map Overlay world




Traffic Sources Overview





Content Overview		
Pages	Pageviews	% Pageviews
/		
Nov 1, 2008 - Nov 30, 2008	12,190	25.23%
Nov 1, 2007 - Nov 30, 2007	15,735	34.30%
% Change	-22.53%	-22.53%
/flights/flight-view---real-time.html		
Nov 1, 2008 - Nov 30, 2008	7,684	15.90%
Nov 1, 2007 - Nov 30, 2007	3,393	7.40%
% Change	126.47%	126.47%
/flights/arrivals---real-time.html		
Nov 1, 2008 - Nov 30, 2008	2,856	5.91%
Nov 1, 2007 - Nov 30, 2007	1,838	4.01%
% Change	55.39%	55.39%
/airport-administration/employment.html		
Nov 1, 2008 - Nov 30, 2008	1,565	3.24%
Nov 1, 2007 - Nov 30, 2007	997	2.17%
% Change	56.97%	56.97%
/flights/flight-schedule-search.html		
Nov 1, 2008 - Nov 30, 2008	1,455	3.01%
Nov 1, 2007 - Nov 30, 2007	894	1.95%
% Change	62.75%	62.75%





10,260 people visited this site in the "All Visits" segment


 **All Visits 12,369 Visits**
All Visits-212,369
Previous: 0 (0.00%)


 **All Visits 10,260 Absolute Unique Visitors**
All Visits-210,260
Previous: 0 (0.00%)

 **All Visits 48,323 Pageviews**
All Visits-248,323
Previous: 0 (0.00%)

 **All Visits 3.91 Average Pageviews**
All Visits-23.91
Previous: 0.00 (0.00%)

 **All Visits 00:05:25 Time on Site**
All Visits-200:05:25
Previous: 00:00:00 (0.00%)

 **All Visits 34.64% Bounce Rate**
All Visits-234.64%
Previous: 0.00% (0.00%)

 **All Visits 65.25% New Visits**
All Visits-265.25%
Previous: 0.00% (0.00%)

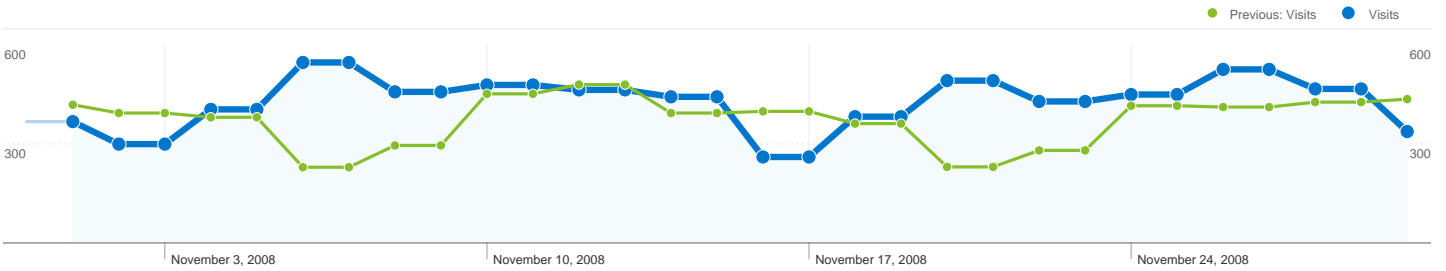
Technical Profile

Browser	Visits	% visits
Internet Explorer		
Nov 1, 2008 - Nov 30, 2008	9,128	73.80%

Connection Speed	Visits	% visits
Cable		
Nov 1, 2008 - Nov 30, 2008	4,295	34.72%

Nov 1, 2007 - Nov 30, 2007	9,668	0.00%
% Change	-5.59%	-5.59%
Firefox		
Nov 1, 2008 - Nov 30, 2008	2,331	18.85%
Nov 1, 2007 - Nov 30, 2007	1,854	0.00%
% Change	25.73%	25.73%
Safari		
Nov 1, 2008 - Nov 30, 2008	691	5.59%
Nov 1, 2007 - Nov 30, 2007	594	0.00%
% Change	16.33%	16.33%
Opera		
Nov 1, 2008 - Nov 30, 2008	105	0.85%
Nov 1, 2007 - Nov 30, 2007	27	0.00%
% Change	288.89%	288.89%
Chrome		
Nov 1, 2008 - Nov 30, 2008	56	0.45%
Nov 1, 2007 - Nov 30, 2007	0	0.00%
% Change	100.00%	100.00%

Nov 1, 2007 - Nov 30, 2007	3,763	0.00%
% Change	14.14%	14.14%
DSL		
Nov 1, 2008 - Nov 30, 2008	3,344	27.04%
Nov 1, 2007 - Nov 30, 2007	3,317	0.00%
% Change	0.81%	0.81%
Unknown		
Nov 1, 2008 - Nov 30, 2008	3,157	25.52%
Nov 1, 2007 - Nov 30, 2007	3,142	0.00%
% Change	0.48%	0.48%
T1		
Nov 1, 2008 - Nov 30, 2008	1,041	8.42%
Nov 1, 2007 - Nov 30, 2007	1,179	0.00%
% Change	-11.70%	-11.70%
Dialup		
Nov 1, 2008 - Nov 30, 2008	380	3.07%
Nov 1, 2007 - Nov 30, 2007	591	0.00%
% Change	-35.70%	-35.70%

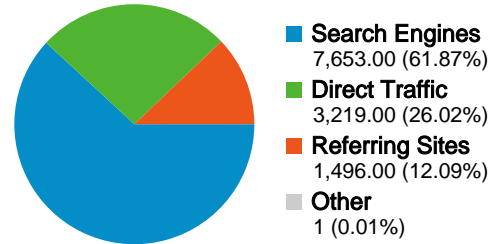


All traffic sources sent a total of 12,369 visits in the "All Visits" segment

All Visits 26.02% Direct Traffic
All Visits -26.02%
 Previous: 0.00% (0.00%)

All Visits 12.09% Referring Sites
All Visits -212.09%
 Previous: 0.00% (0.00%)

All Visits 61.87% Search Engines
All Visits -261.87%
 Previous: 0.00% (0.00%)



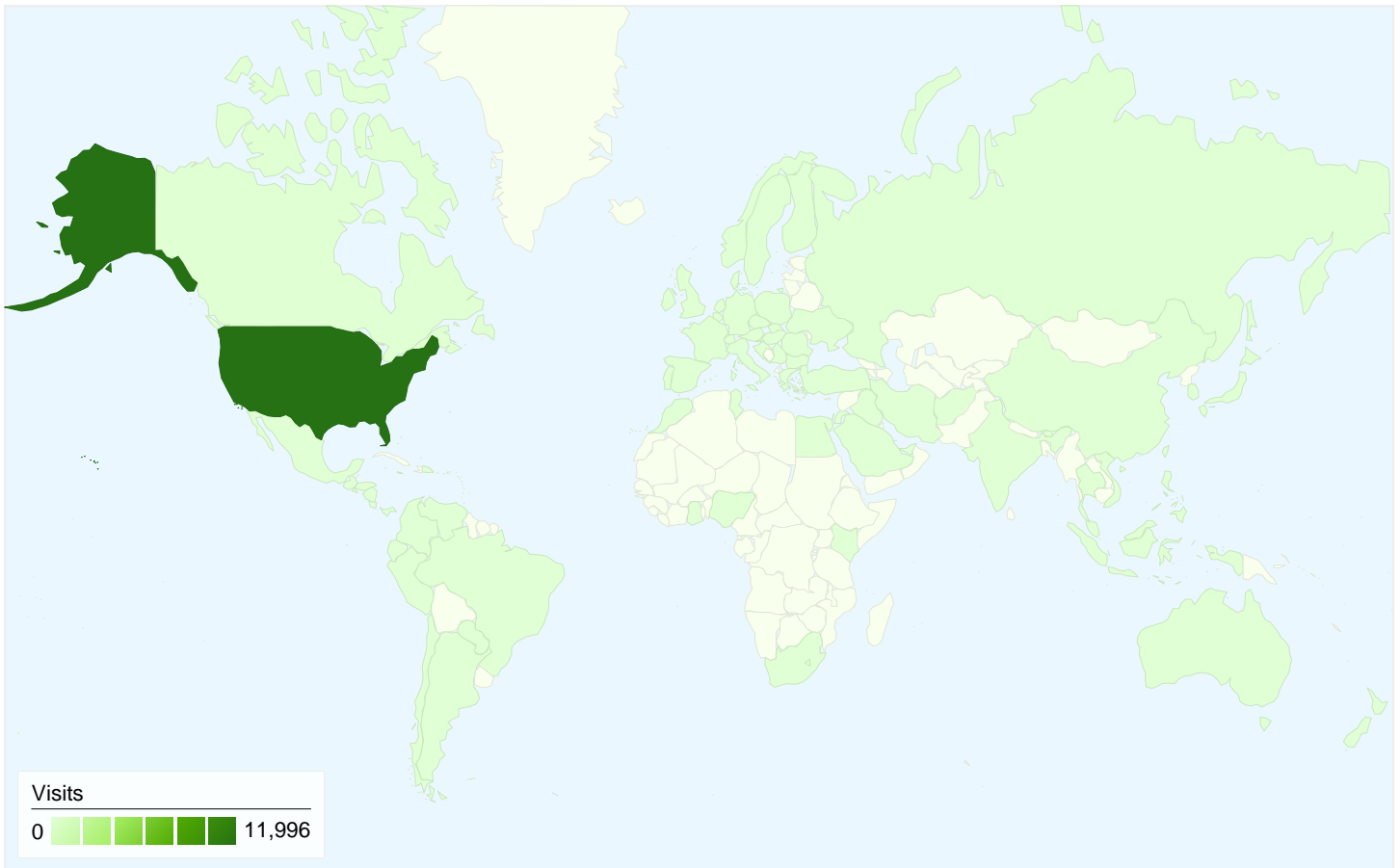
Top Traffic Sources

Sources	Visits	% visits
google (organic)		
Nov 1, 2008 - Nov 30, 2008	5,972	48.28%
Nov 1, 2007 - Nov 30, 2007	5,207	0.00%
% Change	14.69%	14.69%
(direct) ((none))		
Nov 1, 2008 - Nov 30, 2008	3,219	26.02%
Nov 1, 2007 - Nov 30, 2007	3,271	0.00%
% Change	-1.59%	-1.59%
yahoo (organic)		
Nov 1, 2008 - Nov 30, 2008	921	7.45%
Nov 1, 2007 - Nov 30, 2007	965	0.00%
% Change	-4.56%	-4.56%
msn (organic)		
Nov 1, 2008 - Nov 30, 2008	328	2.65%

Keywords	Visits	% visits
asheville airport		
Nov 1, 2008 - Nov 30, 2008	2,596	33.92%
Nov 1, 2007 - Nov 30, 2007	2,435	0.00%
% Change	6.61%	6.61%
asheville regional airport		
Nov 1, 2008 - Nov 30, 2008	874	11.42%
Nov 1, 2007 - Nov 30, 2007	810	0.00%
% Change	7.90%	7.90%
asheville nc airport		
Nov 1, 2008 - Nov 30, 2008	570	7.45%
Nov 1, 2007 - Nov 30, 2007	475	0.00%
% Change	20.00%	20.00%
avl		
Nov 1, 2008 - Nov 30, 2008	291	3.80%

Nov 1, 2007 - Nov 30, 2007	269	0.00%
% Change	21.93%	21.93%
flyavl.com (referral)		
Nov 1, 2008 - Nov 30, 2008	193	1.56%
Nov 1, 2007 - Nov 30, 2007	295	0.00%
% Change	-34.58%	-34.58%

Nov 1, 2007 - Nov 30, 2007	302	0.00%
% Change	-3.64%	-3.64%
avl airport		
Nov 1, 2008 - Nov 30, 2008	280	3.66%
Nov 1, 2007 - Nov 30, 2007	213	0.00%
% Change	31.46%	31.46%

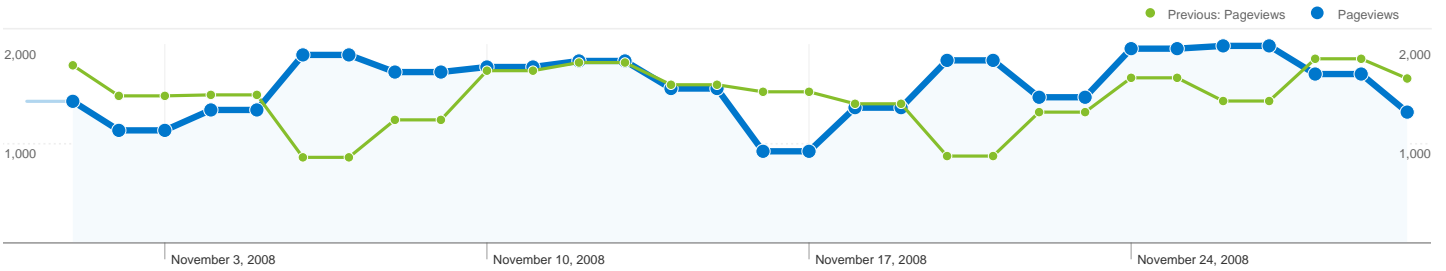


12,369 visits came from 90 countries/territories in the "All Visits" segment


Site Usage


Visits	Pages/Visit	Avg. Time on Site		% New Visits	Bounce Rate	
12,369	3.91	00:05:25		65.24%	34.64%	
Country/Territory	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate	
United States						
November 1, 2008 - November 30, 2008	11,996	3.92	00:05:29	64.67%	34.30%	
November 1, 2007 - November 30, 2007	11,881	3.75	00:06:52	68.59%	35.70%	
% Change	0.97%	4.49%	-20.25%	-5.71%	-3.92%	
United Kingdom						
November 1, 2008 - November 30, 2008	56	3.39	00:01:41	78.57%	48.21%	
November 1, 2007 - November 30, 2007	81	2.99	00:01:51	81.48%	51.85%	
% Change	-30.86%	13.56%	-9.42%	-3.57%	-7.02%	
Canada						
November 1, 2008 - November 30, 2008	52	3.58	00:02:40	88.46%	34.62%	
November 1, 2007 - November 30, 2007	56	3.54	00:02:00	87.50%	41.07%	


% Change	-7.14%	1.17%	33.24%	1.10%	-15.72%
Germany					
November 1, 2008 - November 30, 2008	31	4.03	00:02:10	80.65%	25.81%
November 1, 2007 - November 30, 2007	18	8.44	00:04:52	88.89%	33.33%
% Change	72.22%	-52.25%	-55.52%	-9.27%	-22.58%
(not set)					
November 1, 2008 - November 30, 2008	17	6.59	00:07:45	64.71%	11.76%
November 1, 2007 - November 30, 2007	4	5.75	00:01:28	100.00%	50.00%
% Change	325.00%	14.58%	428.61%	-35.29%	-76.47%
India					
November 1, 2008 - November 30, 2008	15	4.87	00:01:49	80.00%	53.33%
November 1, 2007 - November 30, 2007	14	4.07	00:04:06	92.86%	21.43%
% Change	7.14%	19.53%	-55.58%	-13.85%	148.89%
France					
November 1, 2008 - November 30, 2008	15	3.40	00:01:17	93.33%	60.00%
November 1, 2007 - November 30, 2007	2	10.50	00:14:09	50.00%	0.00%
% Change	650.00%	-67.62%	-90.98%	86.67%	100.00%
Philippines					
November 1, 2008 - November 30, 2008	15	2.53	00:03:24	93.33%	40.00%
November 1, 2007 - November 30, 2007	6	2.33	00:00:21	100.00%	66.67%
% Change	150.00%	8.57%	876.96%	-6.67%	-40.00%
Japan					
November 1, 2008 - November 30, 2008	13	5.54	00:07:48	46.15%	23.08%
November 1, 2007 - November 30, 2007	13	8.15	00:03:46	84.62%	23.08%
% Change	0.00%	-32.08%	107.15%	-45.45%	0.00%
Netherlands					
November 1, 2008 - November 30, 2008	8	2.62	00:00:49	87.50%	62.50%
November 1, 2007 - November 30, 2007	3	7.67	00:10:47	33.33%	33.33%
% Change	166.67%	-65.76%	-92.45%	162.50%	87.50%
1 - 10 of 90					



Pages on this site were viewed a total of 48,323 times in the "All Visits" segment

 **All Visits 48,323 Pageviews**
All Visits-248,323
Previous: 0 (0.00%)

 **All Visits 31,785 Unique Views**
All Visits-231,785
Previous: 0 (0.00%)

 **All Visits 34.64% Bounce Rate**
All Visits-234.64%
Previous: 0.00% (0.00%)

Top Content

Pages	Pageviews	% Pageviews
/		
Nov 1, 2008 - Nov 30, 2008	12,190	25.23%
Nov 1, 2007 - Nov 30, 2007	15,735	0.00%
% Change	-22.53%	-22.53%
/flights/flight-view---real-time.html		
Nov 1, 2008 - Nov 30, 2008	7,684	15.90%
Nov 1, 2007 - Nov 30, 2007	3,393	0.00%
% Change	126.47%	126.47%
/flights/arrivals---real-time.html		
Nov 1, 2008 - Nov 30, 2008	2,856	5.91%
Nov 1, 2007 - Nov 30, 2007	1,838	0.00%
% Change	55.39%	55.39%
/airport-administration/employment.html		
Nov 1, 2008 - Nov 30, 2008	1,565	3.24%

Nov 1, 2007 - Nov 30, 2007	997	0.00%
% Change	56.97%	56.97%
/flights/flight-schedule-search.html		
Nov 1, 2008 - Nov 30, 2008	1,455	3.01%
Nov 1, 2007 - Nov 30, 2007	894	0.00%
% Change	62.75%	62.75%

Asheville Regional Airport Authority
Project Report - December 2008

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 10/31/08)	Percent of Original Contract	Total Project Cost	Percent Complete	Expensed to Date (thru 10/31/08)	Start Date	End Date	Current Project Status (as of 12/1/08)
Planning Phase														
1	Runway Rehabilitation Project Phase 1 - Evaluation	Phase 1 of the Runway Rehabilitation Project includes the evaluation of the pavement conditions, lighting, signage, markings and NAVAIDS	RS&H	\$186,633.00	na	na	na	na	\$186,633.00	5%	\$0.00	Nov-08	Apr-08	RW pavement evaluation is scheduled for the first week of December. This work will require nightly closure for approximately 7 nights.
Design Phase														
2	Landside Parking and Roadway Access Project	The Landside Parking and Roadway Access Project includes 3 components of work: public parking lots, terminal access roadway, general aviation access roadway, and expansion of the toll plaza facility.	The LPA Group	\$729,044.00	na	na	na	na	\$729,044.00	10%	\$0.00	Nov-08	Spring '09	The design team has started on the first draft of design documents and will be presenting them to Staff in December for review.
Construction Phase														
3	22,000 Sq Ft Bulk Hangar - 168 Wright Brothers Way	A 22,000 sq ft bulk hangar will be constructed on existing ramp area adjacent to the Lacy Griffin Building. The hangar will be under a management agreement with Million Air.	LPA Group	\$265,535.00	Momentum Construction Services, LLC	\$1,928,000.00	\$0.00	0.00%	\$2,193,535.00	10%	\$153,707.30	Oct-08	May-09	The Contractor is underway with site work and preparation of the building pad.
4	Terminal Renovation and Expansion - Phase 1	The Terminal Renovation and Expansion - Phase 1 Project includes enlarging the baggage claim area and airline ticket office areas. Improvements and modifications include additional square footage and increased baggage capacity.	SchenkelShultz	\$614,300.00	Perry Bartsch Jr.	\$ 4,479,000.00	\$863,154.00	19.27%	\$5,941,200.00	80%	\$ 4,010,459.76	Jul-06	Jan '09	The airlines have taken occupancy of the renovated office areas. Integration of the outbound baggage handling system and the TSA screening equipment is underway. The final sections of terrazzo flooring are underway in baggage claim and the new inbound baggage carousels are complete.
5	North General Aviation Expansion Project	The North GA project includes multiple phases; phase one consisted of tree harvesting and logging operations, phase two included clearing and grubbing of the site and phase three involves the placement and compaction of structural fill material for the site.	AVCON	\$99,100.00	Charah	\$ 352,690.50	\$0.00	0.00%	\$3,700,000.00	40%	\$ 779,333.17	Nov-07	Fall 2009	The airport has received the 401 and 404 permits necessary for the North General Aviation Expansion Project and will be submitting the required mitigation payment in the next few weeks. The contractor is currently installing the storm drainage extension outside of the permit areas.
Close-Out Phase														
6	Security System & Access Control Project	The Security System & Access Control Project includes the design and professional services for replacing and improving the current ACS and CCTV systems.	Faith Group	\$185,870.00	I-Sys	\$ 1,473,984.00	\$184,151.21	12.50%	\$1,844,005.21	95%	\$ 1,550,019.75	Jul-06	Spring 2009	The Security Project is nearing completion. The only remaining project work involves security access control on doors included in the terminal expansion project with PB Jr.