

Finance Committee

Budget Reprogrammings
Quarter Ended June 30, 2012

September 2012

Budget Reprogramming Guidelines

- Budget reprogrammings within the delegated authority to the President and CEO are reported to the Finance Committee on a quarterly basis.
- The net impact of all budget reprogramming is zero.
- For the Quarter ended June 30, 2012, reprogrammings occurred within:
 - Aviation Capital, Operating, Maintenance, and Investment Program, and
 - Aviation Capital Construction Program.

Budget Reprogrammings

Quarter Ended June 30, 2012

Aviation Capital, Operating and Maintenance Investment

Reprogrammed From:

1. "Snow Removal Program, IAD-COMIP"	<u>(\$1,200,000)</u>
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Reprogrammed To:

1. "Snow Melters, IAD-COMIP"	<u>\$1,200,000</u>
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Budget Reprogrammings Quarter Ended June 30, 2012

Aviation Capital Construction Program

Reprogrammed From:

1. "Fourth Runway Maintenance Equipment, IAD-CCP" (\$1,640,000)

Reprogrammed To:

1. "Snow Melters, IAD-CCP" \$1,640,000

**INFORMATION PAPER FOR THE
FINANCE COMMITTEE
BUDGET REPROGRAMMINGS FOR THE SECOND QUARTER OF 2012
SEPTEMBER 2012**

PURPOSE

This report is presented to the Finance Committee to report on budget reprogramming actions that occurred in the second quarter ended June 30, 2012.

BACKGROUND

The President and Chief Executive Officer is authorized by the Board of Directors to modify or adjust expenditures within each of the Airports Authority's six program budgets, so long as the total expenditures within any such program do not exceed the level authorized for the program. Such modification or adjustment of expenditures is referred to as a budget reprogramming. A reprogramming represents a deduction from one budget line item and an addition to another budget line item within the defined budget program area. Generally, a budget reprogramming may be required to facilitate the Airports Authority's current mission, emergency response, business plan, action plan items, or to accommodate newly mandated initiatives not originally funded in the approved annual budget.

In April 2010 the Finance Committee adopted guidelines, which stated that all material budget reprogrammings would be reported to the Finance Committee on a quarterly basis and would include any year-to-date cumulative budget reprogramming equal to or greater than the following:

1. Aviation Operation and Maintenance (\$250,000);
2. Aviation Capital, Operating and Maintenance Investment Program (\$500,000 or any new project, regardless of dollar amount);
3. Aviation Capital Construction Program (\$500,000 or any new project, regardless of dollar amount);
4. Dulles Corridor Operation and Maintenance (\$250,000);
5. Dulles Corridor Renewal and Replacement (\$500,000 or any new project, regardless of dollar amount); and
6. Dulles Corridor Capital Improvement Program (\$500,000 or any new project, regardless of dollar amount).

Additionally, certain guidelines were adopted requiring advance approval by the Finance Committee for material reprogramming requests. The criteria for budget reprogramming reporting are included as a part of the annual budget resolution.

2012 SECOND QUARTER REPROGRAMMING SUMMARY

The table below identifies reprogrammings that occurred in the second quarter ended June 30, 2012 which met the reporting criteria.

<u>Second Quarter 2012 Reprogramming</u>							
April - June							
Aviation Capital, Operating & Maintenance Investment Program							
PROGRAM	PROJECT/SERVICE	LOCATION	Q2 BEGINNING BALANCE	REPROGRAMMING AMOUNT	TOTAL REVISED AMOUNT	EXPLANATION	
From	COMIP	Snow Removal Program	IAD	\$2,721,541	(\$1,200,000)	\$1,521,541	A portion of the remaining funds from the Snow Removal Program project was available for reprogramming.
To	COMIP	Snow Melters	IAD	\$0	\$1,200,000	\$1,200,000	The new snow removal contract requires MWAA to purchase and provide snow melters. This reprogramming is for the funds to acquire 4 snow melters at IAD.
TOTAL					<u>\$0</u>		
Aviation Capital Construction Program							
PROGRAM	PROJECT/SERVICE	LOCATION	Q2 BEGINNING BALANCE	REPROGRAMMING AMOUNT	TOTAL REVISED AMOUNT	EXPLANATION	
From	CCP	Fourth Runway Maintenance Equipment	IAD	\$9,462,764	(\$1,640,000)	\$7,822,764	A portion of the remaining funds from the Fourth Runway Maintenance Equipment project was available for reprogramming.
To	CCP	Snow Melters	IAD	\$0	\$1,640,000	\$1,640,000	The new snow removal contract requires MWAA to purchase and provide snow melters. This reprogramming is for the funds to acquire 4 snow melters at IAD.
TOTAL					<u>\$0</u>		

CONCLUSION

In the second quarter of 2012 reprogrammings occurred in the Aviation Capital Construction Program totaling \$1,640,000 and in the Aviation Capital, Operating and Maintenance Investment Program totaling \$1,200,000. The reprogrammings resulted in a net change of zero.

No reprogrammings occurred in other Budget Programs that met the reporting criteria. No reprogrammings were proposed during the quarter ended June 2012 which met the criteria for Finance Committee advance approval.

Prepared by:
Office of Finance
September 2012