# Comprehensive
# Annual Financial Report

Columbus Regional Airport Authority
Columbus, Ohio
For the Years Ended December 31, 2020 and 2019

COLUMBUS
REGIONAL AIRPORT AUTHORITY


TLD

Restrooms
Gates A3-A7

Emirates


TLD

Clean & Safe Travels
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# Comprehensive
# Annual Financial Report

*Columbus Regional Airport Authority*
*Columbus, Ohio*
*For the Years Ended December 31, 2020 and 2019*


Prepared by:

**Paul Streitenberger, CPA, CGMA**
Interim Chief Financial Officer

**Erin Fellows, CPA**
Senior Manager, Accounting

# *Table of* **Contents**


# Introductory Section

**This section contains the following subsections:**

April 21, 2021

# To the Board *of Directors*

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the years ended December 31, 2020 and 2019 is proudly prepared and presented by your Accounting & Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the community we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness, and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the years ending December 31, 2020, 2019 and 2018 is presented in the Management's Discussion and Analysis (MD&A) found in the Financial Section.

This CAFR has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). It is our belief that the accompanying 2020 CAFR meets program standards, and it will be submitted to the GFOA for review.

## Reporting *Entity*

The Authority is an independent, special purpose political subdivision of the State of Ohio. It was created as a body corporate and politic on July 30, 1990, by action of the Columbus City Council pursuant to the provisions of the Ohio Revised Code Chapter 4582. On November 10, 1991 (the transfer date), the Authority began operations under a use agreement with the City of Columbus (City) for the purpose of providing airport facilities to the general public. On January 1, 2003, the assets and liabilities of the former Rickenbacker Port Authority, principally the Rickenbacker International Airport, were merged into the Columbus Municipal Airport Authority and the surviving entity was renamed the Columbus Regional Airport Authority. In December 2007, the Authority paid the City the remaining balance on the airport general obligation bonds and received title to the airport property relating to the use agreement. Additional information describing this event may be found in the Overview of the Financial Statements section of the MD&A and in Note 1 to the financial statements.

The Authority's financial reporting entity has been defined in accordance with GASB Statement No. 14. The financial statements contained within this CAFR include all departments and operations for which the Authority is financially accountable. Financial accountability is defined in Note 1 to the financial statements. No governmental organizations other than the Authority itself are included in the financial reporting entity.

A nine-member Board of Directors, jointly appointed by the City of Columbus and Franklin County, governs the Authority. The Mayor of Columbus, with the advice and consent of the City Council, appoints four members; four members are appointed by the Franklin County Commissioners; and one member is jointly appointed. A complete discussion of the Authority's financial reporting entity is included in Note 1 to the financial statements.

## Economic *Conditions and Outlook*

Economic conditions of the Authority and the surrounding Columbus community were negatively impacted by the 2020 pandemic. The significant economic downturn followed one of the most successful years on record in 2019. The financial condition of the Authority is primarily dependent upon the number of passengers using John Glenn Columbus International Airport and air cargo activity occurring at Rickenbacker International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry which influences the airlines' willingness and ability to provide service; the available seating capacity of carriers who serve our market; the local economy which influences the willingness and ability of consumers to purchase air travel; and the cost of air travel. Air cargo activity is dependent on several factors, including: the strength of the US economy; policies regarding the globalization of business; inventory practices and shipping methods; and the cost and location of airports that are competing for these activities. When considering these factors, the Authority anticipates a prolonged recovery from the pandemic and currently does not expect reaching 2019 record passenger levels until at least 2024.

The economy of the Greater Columbus area, including Franklin County and the ten surrounding counties, has encountered better than expected economic improvement from pandemic lows realized in April and May 2020 compared to the State of Ohio and the nation. The 2020 average preliminary unemployment rate as of the December report provided by the US Bureau of Labor Statistics of 7.1% was below that of Ohio (8.1%) and the United States (8.1%). A balance among manufacturing, education and health services, technology, retail, research, government and financial activities has helped the Columbus economy to better survive periods of slow growth. Unlike most other large U.S. cities, Columbus is not dependent upon one or two industries for its major economic strength and no single activity dominates the economy.

The diversity among Greater Columbus' top six employers – The Ohio State University, Ohio Health, State of Ohio, JP Morgan Chase & Co., Nationwide Mutual Insurance Co., and Nationwide Children's Hospital – is representative of the local economy as a whole. The variety represented by these six employers, which together account for more than 126,000 jobs in Central Ohio, assures that the local economy can continue a recovery at a quicker pace from this economic downturn.

To further highlight the pandemic impact, in 2019, more people flew through John Glenn Columbus International Airport (CMH) and Rickenbacker Passenger Terminal (LCK) than in any previous year, breaking records for both airports with a combined 8.9 million passengers and year-over-year increase of nearly six percent. Air Canada, Alaska, Allegiant, American, Delta, Frontier, Southwest, Spirit and United serve central Ohio travelers from Columbus with nearly 160 peak day departures to 47 destinations. In 2020, nearly 3.5 million passengers flew through John Glenn Columbus International Airport (CMH) and the Rickenbacker Passenger Terminal (LCK), representing just 39% of 2019 totals.

## Initiatives and ***Development***

Funding for the Authority's development projects is provided exclusively by user fees, as are the funds needed to conduct the Airport's day-to-day operations. These funds are principally generated in five ways: through direct charges such as rents, turn fees and landing fees collected from airlines and other Authority tenants; auto parking, rental car and concession revenue; from the airline ticket tax which is then returned to airports in the form of grants under the Federal Airport Improvement Program; a passenger facility charge which is collected as a user charge on airline tickets; and through a customer facility charge collected from rental car customers. The Authority utilizes each of these to generate funds for its operations and facilities development.

Despite the significant impact of the pandemic on passenger activity at John Glenn and Rickenbacker, international cargo activity at Rickenbacker continued to surge. Rickenbacker's Foreign Trade Zone (FTZ) 138 is growing and so is the global competitiveness of businesses operating within the 25-county zone. According to a 2020 federal report, $11.3 billion worth of goods moved through warehousing and distribution operations within FTZ 138 in 2019, an 8.9% increase over the year prior. As a result, Rickenbacker-based FTZ 138 ranks as one of the top 10 U.S. zones for the 8th consecutive year.

The Authority completed construction of a Residence Inn by Marriott at John Glenn and opened the first extended stay hotel in November 2020. Furthermore, the consolidated rental-car facility construction continued as planned and is expected to open in the summer of 2021. The facility will replace the current operations that occupy two floors of our terminal parking garage. The two floors within the parking garage will return to public parking once the consolidated rental-car facility is opened.

## Internal ***Control Framework***

In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of the internal control framework. Internal control framework is designed to provide reasonable, but not absolute assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; (2) execution of transactions in accordance with management's authorization; (3) reliability of financial records used in preparing financial statements and maintaining accountability for assets; (4) effectiveness and efficiency of operations; and (5) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above structure. We believe that the Authority's internal control framework adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. Management also believes that the data in this CAFR, as presented, is accurate in all material respects, that it presents fairly the financial position, results of operations and cash flows of the Authority, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Authority's financial affairs have been included.

The Authority maintains an Internal Audit Department responsible for a broad, comprehensive program of internal and external auditing. The Staff Auditor reports directly to the Director, Accounting and Finance and maintains reporting responsibilities to the CFO, President & CEO and the Board of Directors. The Internal Audit Department is authorized to have full, free and unrestricted access to all records pertaining to the audits.

## Budgetary ***Controls and Policies***

The Authority's financial policies are prepared in accordance with state laws and bond indentures. Financial policies include budgeting, financial planning, capital planning, revenue, investment, debt management, procurement, accounting and auditing.

The annual operating and capital budgets are proposed by the Authority's management and adopted by the Board of Directors in a public meeting before the beginning of each fiscal year. The annual budget is prepared pursuant to guidelines established after consideration of the Authority's Strategic Business Plan. Management control of the budget is maintained at the department level. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Directors.

## Activity ***Highlights***

**The following represents the Authority's activity highlights for the years ended December 31:**

| | 2020 | 2019 | % Change |
|---|---|---|---|
| Airline Cost | $ 26,901,883 | $ 33,292,179 | -19.2 |
| Enplanements | 1,628,255 | 4,314,619 | -62.3 |
| Cost Per Enplaned Passenger | $ 16.52 | $ 7.72 | 114.1 |

Throughout its existence, the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers, tenants and visitors. It also has diligently controlled the costs passed on to its family of airlines. Airline cost per enplaned passenger (CPE) – the standard employed by the air carriers to determine the relative cost of operating at an airport – is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. Although the pandemic had a dramatic impact on passenger levels during 2020, we worked diligently to maintain a cost-effective airport to support our airline partners. For 2020, the airline CPE at John Glenn International has remained competitive at $16.52. CPE continues to compare favorably with other medium hub airports, further reinforcing John Glenn International's reputation as a cost-effective, airline-friendly facility.

## Independent *Audit*

The Authority's independent auditing firm, Plante & Moran, PLLC, has rendered an unmodified opinion that the Authority's financial statements for December 31, 2020 and 2019 and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Plante & Moran, PLLC, met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1996 and related Office of Management and Budget (OMB) Circular 2 CFR 200. The independent auditors' reports issued based upon work performed in accordance with those requirements noted no instances of noncompliance by the Authority with any applicable state or federal laws or regulations or other matters that are required to be reported for the fiscal year ended December 31, 2020. A copy of the report can be found in the Compliance Section of this CAFR.

## Certificate of *Achievement*

I am most proud to report that the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority has received this prestigious award for the last twenty-eight consecutive years, ended December 31, 2019. This is a reflection of the experienced and passionate Accounting & Finance team here at the Authority and their desire to provide outstanding information to our community. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## *Acknowledgments*

The publication of this CAFR is a reflection of the level of excellence and professionalism demonstrated by the Authority's staff on a daily basis. I wish to express my sincere appreciation to all members of the Accounting & Finance Department who contributed not only to the preparation of this CAFR, but also to the accomplishments that I am privileged to report. We have an amazing team and your commitment to accurate financial reporting is outstanding.

I would like to thank the Board of Directors, Bill Heifner, Chair of the Board, Jordan Miller, Chair of the Board Finance and Audit Committee and our President & CEO, Joe Nardone, for their guidance and support this year. Your direction and counsel have helped to ensure that the Columbus Regional Airport Authority will remain a model of excellence for airports.

Respectfully submitted,

Paul Streitenberger, CPA, CGMA

Interim Chief Financial Officer

# Board of Directors

## Chair

**William R. Heifner**
President
Renier Construction

## Vice Chair

**Elizabeth P. Kessler, Esq.**
Partner-in-Charge
Jones Day

## Directors

**Dr. Frederic Bertley, Ph.D.**
President & CEO
COSI

**Kenny McDonald**
President & Chief
Economic Officer
One Columbus

**Karen Morrison**
President
Ohio Health Foundation

Senior Vice President
of External Affairs
Ohio Health Corporation

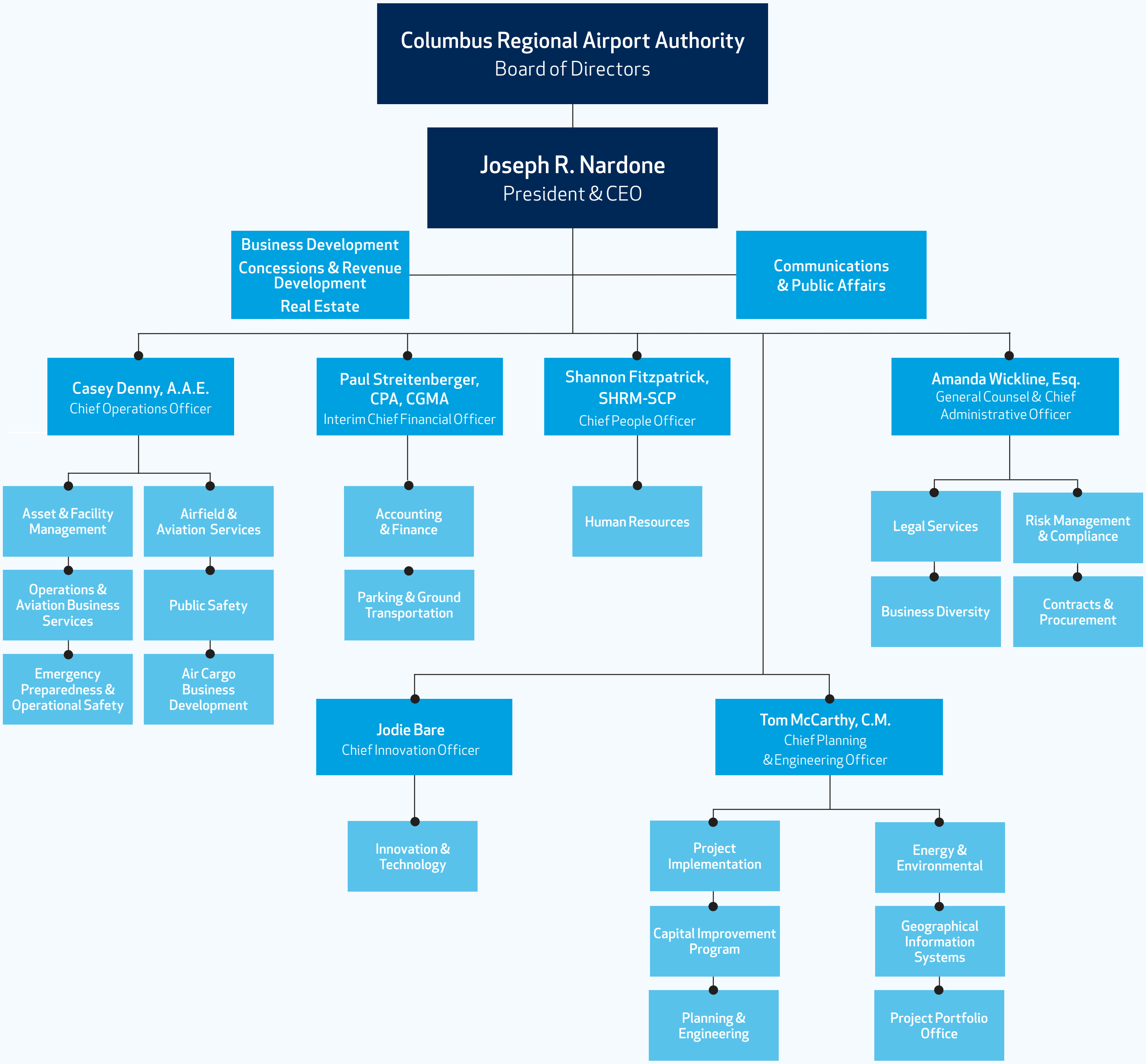
**Paul Chodak III**
Executive Vice President,
Utilities
American Electric Power

**Jordan A. Miller, Jr.**
President & CEO – Retired
Central Ohio Fifth Third Bank

**Ramon Jones**
Executive Vice President
Chief Marketing Officer
Nationwide Insurance

**Terrance Williams**
Executive Vice President
General Manager
Allstate

# Organization Chart
## *and Senior Management*




## Senior ***Management***

**Karmin Bailey, CMA, CPFO,** Director, Procurement, Compliance & Business Diversity

**Kristen A. Easterday, C.M.,** Director, Communications & Public Affairs

**Charles J. Goodwin, A.A.E.** Director, Operations & Aviation Business Services

**Ronald Gray,** Chief of Police & Director, Public Safety

**Brian J. Sarkis,** Director, Project Implementation

**Kevin Shirer, A.A.E.** Director, Asset & Facility Management

**Cammi Wing, SHRM-SCP,** Director, Human Resources

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Columbus Regional Airport Authority**
**Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

# Financial Section

**This section contains the following subsections:**

Plante & Moran, PLLC
Suite 300
537 E. Pete Rose Way
Cincinnati, OH 45202-3578
Tel: 513.595.8800
Fax: 513.595.8806
plantemoran.com

## Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the Columbus Regional Airport Authority (the "Authority") as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Directors
Columbus Regional Airport Authority

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Regional Airport Authority as of December 31, 2020 and 2019 and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Columbus Regional Airport Authority's basic financial statements. The schedule of expenditures of federal awards is presented as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other information, such as the supplemental schedule of revenue and expenses: budget vs. actual-budget basis and schedule of expenditures of passenger facility charges, as required by the *Passenger Facility Charge Audit Guide for Public Agencies*; the introductory section; and the statistical section, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule of revenue and expenses: budget vs. actual-budget basis, schedule of expenditures of federal awards, and schedule of expenditures of passenger facility charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of revenue and expenses: budget vs. actual-budget basis, schedule of expenditures of federal awards, and schedule of expenditures of passenger facility charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021 on our consideration of the Columbus Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Columbus Regional Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 10, 2021

# ***Management's Discussion*** *and Analysis*

The following unaudited Management's Discussion and Analysis (MD&A) of the Columbus Regional Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2020 and 2019. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

## Overview of the ***Financial Statements***

The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated (except land and construction in progress) over their estimated useful lives. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following this MD&A are the basic financial statements of the Authority together with the notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The ***Statements of Net Position*** present information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial position.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** present information showing how the Authority's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The ***Statements of Cash Flows*** relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in these statements. A reconciliation is provided at the bottom of the Statements of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

In addition to the basic financial statements and accompanying notes, this report also presents the ***Required Supplementary Information - Schedule of the Authority's Proportionate Share of the Net Pension Liability, Schedule of the Authority's Pension Contributions, Supplemental Schedule of the Authority's Proportionate Share of the Net OPEB Liability, Schedule of the Authority's OPEB Contributions, and Supplemental Schedule of Revenues and Expenses – Budget vs. Actual–Budget Basis.***

In 2001, the County of Franklin, Ohio (the County) Board of Commissioners approached the Mayor and officials of the City of Columbus, Ohio (the City) with the idea of creating one port authority to oversee the airports managed by the Columbus Municipal Airport Authority (CMAA) and the Rickenbacker Port Authority (RPA). The County and the City formed a committee, the Regional Port Authority Study Committee that evaluated and concluded that there was the potential for achieving cost savings, operational efficiencies and other intangible synergies by creating a single regional airport authority to oversee the operations of Port Columbus International (CMH), Rickenbacker International (LCK) and Bolton Field (TZR) airports. On December 12, 2002, the County, the City and the CMAA entered into the Port Authority Consolidation and Joinder Agreement (the Agreement) with an effective date of January 1, 2003. Under the Agreement the RPA was dissolved and the CMAA, the surviving entity, was renamed the Columbus Regional Airport Authority (the Authority). The assets of the RPA were recorded on the Authority's records at net book value. Additional information may be found in Note 1 of the accompanying notes.

## Significant ***Events***

### John Glenn and Rickenbacker airports experience impact of pandemic

Nearly 3.5 million passengers flew through John Glenn Columbus International Airport (CMH) and the Rickenbacker Passenger Terminal (LCK) in 2020, representing just 39% of 2019's record-breaking 8.9 million passengers. Average passengers departing Columbus daily in 2020 was 4,735 compared to 12,248 in 2019. Since July 2020, traffic has remained at around a third of pre-pandemic levels, which is consistent with travel trends throughout the country. October 2020 was the busiest post-pandemic month with 4,675 average passengers departing daily. The Sunday following Christmas was the busiest single day since the start of the pandemic with 8,359 departing passengers.

### Rickenbacker air cargo activity continues to surge

Closing out an unprecedented 2020, Rickenbacker saw a dichotomy of results for air cargo. Cargo tonnage was down for the year. However, international flight operations and the revenues that come with them in the form of landing, fueling, and handling fees rose into record territory in the waning months of 2020. This is due to the COVID-19-induced response of airlines repurposing some of their large passenger aircraft to carry freight, with a substantial amount of that activity landing here in Columbus. In the last six months of the year, the Rickenbacker team handled over 300 converted Boeing 777-300ER passenger aircraft with cargo in the cabin.

The pandemic also brought new airlines to Rickenbacker. During last few months of 2020, Rickenbacker welcomed Qatar Airways, Philippine Airlines and Korean Air Cargo. Additionally, new freight forwarders that had previously not utilized LCK, or had utilized LCK on a limited basis, came into the market in a substantial way due to the supply-chain disruption caused by COVID-19.

### New Residence Inn hotel welcomes travelers to Columbus

The brand-new Residence Inn by Marriott Columbus Airport opened in November 2020 as the first extended stay hotel at John Glenn Columbus International Airport. Located adjacent to the terminal at 4294 International Gateway, the new property is owned by the Columbus Regional Airport Authority and features 122 spacious guest suites. This aviation-themed hotel was carefully designed to meet today's travelers' needs, with special attention paid to lifestyle conveniences. Each pet-friendly guest suite comes with a full kitchen, abundant amenities, and separate spaces to eat, sleep, and relax. Guests also enjoy grocery services, a full-service lobby bar, indoor pool, fitness center, outdoor grill, and fire pit, putting green and meeting space for up to 30 guests.

# Financial *Highlights*

The Authority's overall financial position improved during 2020 as evidenced by our continued growth in total net position and the reduction in outstanding debt as well as our continued strong liquidity position.

**A summary of the Authority's financial highlights for the year 2020 is as follows:**

The Authority's Total Assets increased $10.6 million over 2019. Current Assets increased $52.8 million as a result of increased unrestricted cash and equivalents. Non-Current Assets (Unrestricted and Restricted) decreased $42.2 million primarily due to decreased restricted cash and equivalents.

Total Liabilities decreased $13.6 million over 2019. The decrease is primarily the result of $24.9 million decrease in restricted long-term debt GARB revenue bonds offset by a $16.1 million increase in the revolving credit facility agreement and $2.2 million increase in the current portion of long-term debt CFC bonds.

Total 2020 Operating Revenues were unfavorable to budget by $6.6 million as a result of decreased parking, airline, and hotel revenues offset by an increase in ground transportation, concessions, air freight and ground handling revenues. Compared to 2019, total Operating Revenues decreased $49.5 million. The decrease is primarily a result of lower revenue received from parking, airlines, concessions, and hotels.

Total 2020 Operating Expenses were favorable to budget by $1.7 million related to decreased services expenses offset by increased pension and OPEB expense. Compared to 2019, total Operating Expenses decreased $17.4 million. The decrease is primarily a result of a decrease associated with employee wages & benefits and materials and supplies and purchased services.

**A summary of the Authority's financial highlights for the year 2019 is as follows:**

The Authority's Total Assets increased $118.3 million over 2018. Current Assets increased $7.5 million as a result of increased short-term investments. Non-Current Assets (Unrestricted and Restricted) increased $110.2 million primarily due to increased restricted cash and equivalents.

Total Liabilities increased $120.5 million over 2018. The increase is primarily the result of $22.3 million increase in net pension liability and $94.3 million increase in long-term debt CFC revenue bonds.

Total 2019 Operating Revenues were favorable to budget by $5.6 million as a result of increased parking, concession and general aviation revenues offset by a decrease in airline revenues. Compared to 2018, total Operating Revenues increased $12.5 million. The increase is primarily a result of higher revenue received from parking, airlines, and concessions.

Total 2019 Operating Expenses were unfavorable to budget by $9.2 million related to increased pension and OPEB expense. Compared to 2018, total Operating Expenses increased $5.6 million. The increase is primarily a result of an increase associated with employee wages & benefits and materials and supplies and purchased services.

# Financial **_Position_**

**The following represents the Authority's financial position for the years ended December 31:**

| | Dollars in 000's | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| **ASSETS** | | | | | |
| Current Assets - Unrestricted | $ 134,064 | $ 81,256 | $ 73,726 | 65.0 | 10.2 |
| Capital Assets | 840,698 | 779,480 | 760,545 | 7.9 | 2.5 |
| Other Non-Current Assets - Unrestricted | 40,742 | 39,845 | 31,857 | 2.3 | 25.1 |
| Other Non-Current Assets - Restricted | 83,648 | 187,961 | 104,162 | -55.5 | 80.5 |
| **Total Assets** | **1,099,152** | **1,088,542** | **970,290** | **1.0** | **12.2** |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Pensions and OPEB | 10,951 | 18,903 | 9,187 | -42.1 | 105.8 |
| **Total Deferred Outflows of Resources** | **10,951** | **18,903** | **9,187** | **-42.1** | **105.8** |
| **LIABILITIES** | | | | | |
| Current Liabilities - Unrestricted | 26,502 | 29,189 | 28,687 | -9.2 | 1.7 |
| Long-Term Liabilities - Restricted Due Within 1 Year | 46,850 | 30,764 | 21,144 | 52.3 | 45.5 |
| Long-Term Liabilities - Unrestricted Due Within More than 1 Year | 101,968 | 126,904 | 110,850 | -19.6 | 14.5 |
| Long-Term Liabilities - Restricted Due Within More than 1 Year | 92,305 | 94,325 | - | -2.1 | 0.0 |
| **Total Liabilities** | **267,625** | **281,182** | **160,681** | **-4.8** | **75.0** |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Bond Refunding, Pensions, and OPEB | 13,842 | 1,167 | 8,329 | 1,086.1 | -86.0 |
| **Total Deferred Inflows of Resources** | **13,842** | **1,167** | **8,329** | **1,086.1** | **-86.0** |
| **NET POSITION** | | | | | |
| Net Investment In Capital Assets | 667,943 | 675,611 | 679,579 | -1.1 | -0.6 |
| Net Position - Restricted | 77,146 | 115,443 | 102,829 | -33.2 | 12.3 |
| Net Position - Unrestricted | 83,547 | 34,042 | 28,059 | 145.4 | 21.3 |
| **Total Net Position** | **$ 828,636** | **$ 825,096** | **$ 810,467** | **0.4** | **1.8** |

**An analysis of significant changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the year 2020 is as follows:**

The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by $828.6 million, a $3.5 million increase over December 31, 2019. The largest portion of the Authority's net position each year ($667.9 million or 80.61% at December 31, 2020) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers, and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position ($83.5 million or 10.1% at December 31, 2020) represents the unrestricted net position that may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be need to pay future capital expenditures and to maintain adequate levels of working capital.

The remaining restricted net position of $77.1 million are restricted for the funding of bond reserves and capital projects. These resources are not available for new spending because they have already been committed to fund bond reserves and capital projects.

**An analysis of significant changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the year 2019 is as follows:**

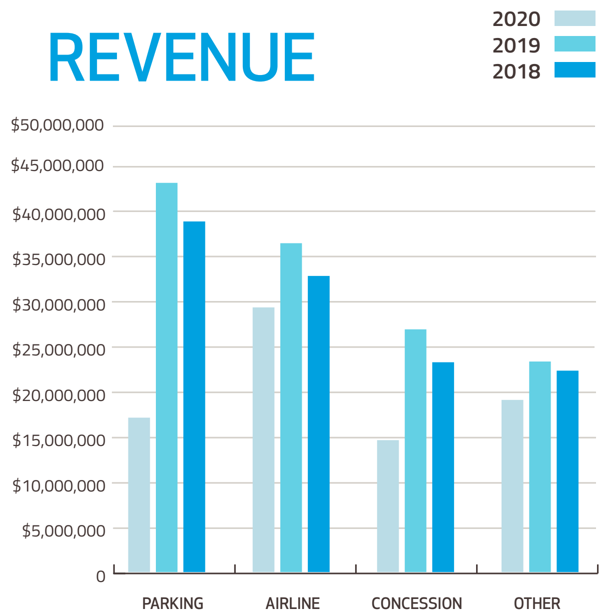
The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by $825.1 million, a $14.6 million increase over December 31, 2018. The largest portion of the Authority's net position each year ($675.6 million or 81.88% at December 31, 2019) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers, and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position ($115.4 million or 13.99% at December 31, 2019) represents resources that are restricted for the funding of bond reserves and capital projects. These resources are not available for new spending because they have already been committed to fund bond reserves and capital projects.

The remaining unrestricted net position of $34.0 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

**The following represents the Authority's summary of operating revenues by source for the years ended December 31:**

| | Dollars in 000's | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| Parking Revenue | $ 17,045 | $ 42,944 | $ 38,694 | -60.3 | 11.0 |
| Airline Revenue | 29,215 | 36,297 | 32,676 | -19.5 | 11.1 |
| Concession Revenue | 14,548 | 26,791 | 23,152 | -45.7 | 15.7 |
| Cargo Operations Revenue | 8,206 | 7,893 | 7,791 | 4.0 | 1.3 |
| Hotel Operations Revenue | 1,579 | 4,856 | 4,615 | -67.5 | 5.2 |
| General Aviation Revenue | 3,271 | 3,919 | 3,631 | -16.5 | 7.9 |
| Foreign Trade Zone Fees | 302 | 308 | 310 | -1.9 | -0.6 |
| Other Revenue | 5,635 | 6,258 | 5,869 | -10.0 | 6.6 |
| **Total Operating Revenues** | **$ 79,801** | **$ 129,266** | **$ 116,738** | **-38.3** | **10.7** |




**An analysis of significant changes in revenues for the year 2020 is as follows:**

- Parking Revenue decreased $25.9 million or 60.3%. This decrease is related to a decrease in enplaned passengers utilizing parking facilities and a decrease in the garage long-term and short-term over 2019.
- Airline Revenue decreased $7.1 million or 19.5%. This decrease is related to a decrease in landing fees as a result of decreased air service routes.
- Concession Revenue decreased $12.2 million or 45.7%. This decrease is related to a decrease in enplaned passengers.

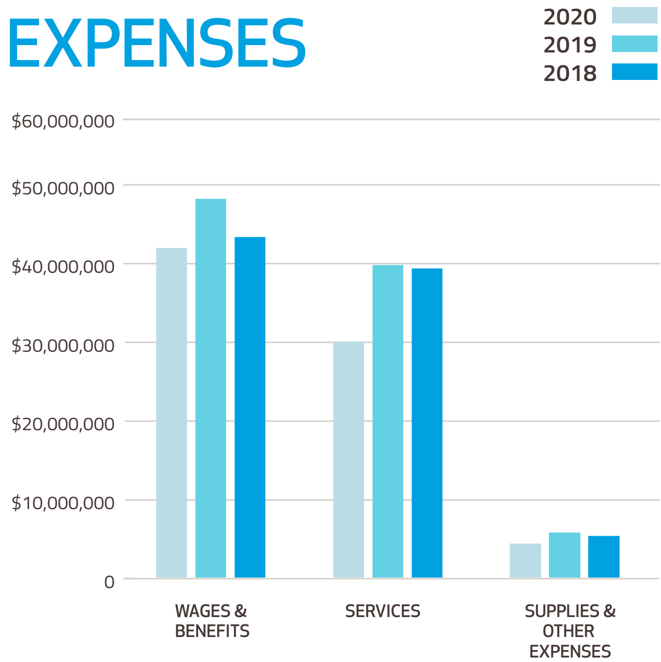
**An analysis of significant changes in revenues for the year 2019 is as follows:**

- Parking Revenue increased $4.3 million or 11.0%. This increase is related to an increase in enplaned passengers utilizing parking facilities and an increase in the garage long-term and short-term over 2018.
- Airline Revenue increased $3.6 million or 11.1%. This increase is related to an increase in landing fees as a result new or increased air service routes.
- Concession Revenue increased $3.6 million or 15.7%. This increase is related to an increase in enplaned passengers and increased rates for ground transportation services.

**The following represents the Authority's summary of operating expenses by source for the years ended December 31:**

| | Dollars in 000's | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| Employee Wages & Benefits | $ 41,911 | $ 48,137 | $ 43,310 | -12.9 | 11.1 |
| Purchase of Services | 28,587 | 37,064 | 36,750 | -22.9 | 0.9 |
| Materials & Supplies | 4,193 | 5,655 | 5,293 | -25.9 | 6.8 |
| Hotel Services | 1,401 | 2,669 | 2,576 | -47.5 | 3.6 |
| Other Expenses | 125 | 82 | 57 | 52.4 | 43.9 |
| **Total Operating Expenses** | **$ 76,217** | **$ 93,607** | **$ 87,986** | **-18.6** | **6.4** |

# EXPENSES




**An analysis of significant changes in expenses for the year 2020 is as follows:**

- Employee Wages & Benefits decreased by $6.2 million or 12.9% due to decreased pension and OPEB expense related to GASB 68 and GASB 75.
- Purchase of Services decreased by $8.4 million or 22.9% due to a decrease in professional and parking services.

**An analysis of significant changes in expenses for the year 2019 is as follows:**

- Employee Wages & Benefits increased by $4.8 million or 11.1% due to increased pension and OPEB expense related to GASB 68 and GASB 75.

The following represents the Authority's summary of changes in net position for the years ended December 31.

| | Dollars in 000's | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| Total Operating Revenues | $ 79,801 | $ 129,266 | $ 116,738 | -38.3 | 10.7 |
| Total Operating Expenses | (76,217) | (93,607) | (87,986) | -18.6 | 6.4 |
| Operating Income before Depreciation | 3,584 | 35,659 | 28,752 | -89.9 | 24.0 |
| Depreciation | (49,283) | (48,800) | (47,232) | 1.0 | 3.3 |
| Operating Loss | (45,699) | (13,141) | (18,480) | 247.8 | -28.9 |
| Investment Income | 1,894 | 3,838 | 1,868 | -50.7 | 105.5 |
| Investment Income - CFC | 1,000 | 1,444 | 1,069 | -30.7 | 35.1 |
| Passenger Facility Charges | 5,679 | 17,040 | 16,326 | -66.7 | 4.4 |
| Rental Car Facility Charges | 4,716 | 10,967 | 10,451 | -57.0 | 4.9 |
| CARES Act Revenue | 21,000 | - | - | 0.0 | 0.0 |
| Interest Expense | (1,248) | (1,491) | (1,708) | -16.3 | -12.7 |
| CFC Backed Revenue Bond Interest Expense | (3,670) | (2,433) | - | 50.8 | 0.0 |
| Gain (Loss) on Securities | 935 | 1,054 | (96) | -11.3 | -1,197.9 |
| Amortization of Deferred Charges | 58 | 58 | 58 | 0.0 | 0.0 |
| Bond Issuance Cost | - | (814) | - | -100.0 | 0.0 |
| Gain (Loss) on Disposal of Assets | 361 | (16,116) | 7,111 | -102.2 | -326.6 |
| Other Non-Operating Revenue | 371 | 562 | 155 | -34.0 | 262.6 |
| **Income before Capital Contributions** | **(14,603)** | **968** | **16,754** | **-1,608.6** | **-94.2** |
| Capital Contributions | 18,144 | 13,660 | 8,435 | 32.8 | 61.9 |
| **Increase in Net Position** | **3,541** | **14,628** | **25,189** | **-75.8** | **-41.9** |
| Net Position - Beginning of Year | 825,095 | 810,467 | 803,886 | 1.8 | 0.8 |
| Restatement for GASB 75 | - | - | (18,608) | - | - |
| **Net Position - End of Year** | **$ 828,636** | **$ 825,095** | **$ 810,467** | **0.4** | **1.8** |

**An analysis of significant changes in net position for the year 2020 is as follows:**

- Passenger Facility Charges revenue decreased by $11.4 million or 66.7% as a result of a decrease in enplaned passengers.
- Rental Car Facility Charges revenue decreased by $6.3 million or 57.0% due to decrease in rental activity.
- CARES Act revenue increased by $21.0 million due to an increase in federal funding as a result of the COVID-19 pandemic.
- Capital Contributions from federal and state funding sources increased by $4.4 million or 32.8% due to a deice pad expansion at John Glenn International Airport and runway projects at Rickenbacker International Airport.

**An analysis of significant changes in net position for the year 2019 is as follows:**

- CFC Backed Revenue Bond Interest Expense increased by $2.4 million as a result of the issuance of CFC backed revenue bonds in 2019 for the new consolidated rental car facility.
- Gain (Loss) on Disposal of Assets decreased by $23.2 million or 326.6% due to disposal of assets near Rickenbacker International Airport.
- Capital Contributions from federal and state funding sources increased by $5.2 million or 61.9% due to the purchase of snow removal equipment at John Glenn International Airport and runway projects at Rickenbacker International Airport.

## Capital *Assets*

The Authority's capital assets as of December 31, 2020, totaled $840.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings & building improvements, runways, taxiways & roads, construction in progress, furniture, and machinery & equipment. The total increase in the Authority's investment in capital assets before accumulated depreciation for 2020 was 7.8% or $61.2 million.

**Major capital projects in progress and expenditures incurred during 2020 included the following:**

| | |
|---|---|
| Consolidated Rental Car Facility | $ 62,890,972 |
| LCK MOS Phase 2 Improvements | 16,050,345 |
| Extended Stay Hotel - Residence Inn | 13,158,752 |
| Rail Court Road and Utilities | 3,175,680 |
| Relocate Utility Corridor Phase 1 | 1,738,984 |
| Deice Pad Extension | 1,735,751 |
| Escalators 1-12 and F | 1,544,230 |

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. Acquisitions are funded using a variety of financing techniques, including federal and state grants, passenger facility charges, debt issuance, and the Authority revenues and reserves. Additional information on the Authority's capital assets can be found in Note 2 of the accompanying notes.

## Debt *Administration*

### Airport Refunding Revenue Bonds, Series 2013AB

On October 8, 2013, the Authority issued Airport Refunding Revenue Bonds, Series 2013AB in the principal amount of $17,600,000. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003AB. The bonds are due at maturity in monthly principal and interest installments of $214,650 through April 2021.

The balance outstanding as of December 31, 2020 is $877,690. Bond principal and interest are paid from the general revenues of the Authority.

### Airport Refunding Revenue Bonds, Series 2015 (AMT)

On March 31, 2015, the Authority issued Airport Refunding Revenue Bonds, Series 2015(AMT) in the principal amount of $40,000,000. The bond proceeds were used to partially refund the Authority's outstanding Credit Facility Bonds, Series 2012B. The bonds are due at maturity in monthly principal and interest installments of $280,662 through January 2030.

The balance outstanding as of December 31, 2020 is $27,366,143. Bond principal and interest are paid from the general revenues of the Authority.

### Airport Refunding Revenue Bonds, Series 2016

On October 6, 2016, the Authority issued $41,982,000 of Airport Refunding Revenue Bonds, Series 2016. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2007. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $463,020 through November 2023.

The balance outstanding as of December 31, 2020 is $22,278,611. Bond principal and interest are paid from the general revenues of the Authority.

### Customer Facility Charge Revenue Bonds, Series 2019

On May 2, 2019, the Authority issued $94,325,000 of Customer Facility Charge Revenue Bonds, Series 2019. The Series 2019 Bonds are being issued for the costs of design, development and construction of consolidated rental motor vehicle facility projects at John Glenn Columbus International Airport and to fund the Debt Service Reserve and the Debt Service Coverage Fund Requirements for the Series 2019 Bonds and to pay certain costs of issuance relating to the Series 2019 bonds. The Bonds are special limited obligations, payable solely from and secured by the receipts from collection of the Customer Facility Charges (Rental Cars) imposed by the Authority on rental motor vehicle customers who use or benefit from rental car facilities. The bonds are due at maturity in bi-annual principal and interest installments of $5,689,546 beginning in 2021 through 2048.

The outstanding balance as of December 31, 2020 is $94,325,000.

Additional details may be found in Note 8 of the accompanying notes.

## Passenger Facility Charge *(PFC)*

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of $3.00 per enplaned passenger. In January 2002, the FAA approved the Authority's request to increase the PFC level to $4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. The newest application, which was approved on April 29, 2020 adds an additional $81.4 million to the collectible amount and will extend the collection date to December 1, 2024. Through December 31, 2020, the Authority has collected PFCs, including interest earnings thereon, totaling $356.6 million.

## Airline *Rates and Charges*

The Authority and certain airlines negotiated an agreement effective from January 1, 2020, through December 31, 2024, which in part establishes how the airlines that sign the agreement (signatory airlines) will be assessed annual rates and charges for their use of CMH. Landing fees and terminal rental rates for non-signatory airlines are assessed at 150 percent of the signatory rates.

**The rates and charges net of credits billed to the signatory airlines at CMH were as follows:**

| | | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| Landing Fees - Net of General Airline Credit (per 1,000 lbs.) | $ 2.94 | $ 2.06 | $ 1.91 | 42.7 | 7.9 |
| Terminal Rental Rate (Average) | 79.05 | 74.41 | 78.25 | 6.2 | -4.9 |
| Apron Fee - Square Foot Rate Component | 2.00 | 1.91 | 1.78 | 4.7 | 7.3 |
| Apron Fee - Landed Weight Component (per 1,000 lbs.) | 0.40 | 0.41 | 0.37 | -2.4 | 10.8 |

The Authority also charges a signatory landing fee to airlines for their use of LCK. Landing fees for non-signatory airlines are assessed at 150 percent of the signatory rate.

**LCK landing fees were as follows:**

| | | | | % Change | |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 |
| Landing Fees - (per 1,000 lbs) | $3.59 | $ 3.44 | $ 3.18 | 4.4 | 8.2 |

## Request *for Information*

This report is designed to provide detailed information on the Authority's operations to all with an interest in the Authority's financial affairs and to demonstrate the Authority's accountability for the assets it controls and the funds it receives and expends. Questions concerning any of the information provided in this report or any request for additional information should be emailed to efellows@columbusairports.com or sent in writing to Erin Fellows, Senior Manager, Accounting, Columbus Regional Airport Authority, 4600 International Gateway, Columbus, Ohio 43219.

# Statements of Net Position

## As of December 31, 2020 and 2019

| ASSETS | 2020 | 2019 |
|---|---|---|
| **Current Assets - Unrestricted** | | |
| Cash & Cash Equivalents | $ 101,574,676 | $ 44,785,184 |
| Other Investments | 14,779,048 | 15,031,580 |
| Accounts Receivable - Trade & Capital Grants, Net | 12,262,498 | 15,565,496 |
| Accounts Receivable - Other | 1,087,941 | 1,889,162 |
| Interest Receivable | 443,436 | 728,735 |
| Deposits, Prepaid Items, & Other | 3,916,358 | 3,256,281 |
| **Total Current Assets** | **134,063,957** | **81,256,438** |
| | | |
| **Non-Current Assets - Unrestricted** | | |
| Other Investments | 39,802,109 | 39,156,872 |
| Accounts Receivable - Other | 385,782 | 357,739 |
| Net Pension Asset | 553,968 | 330,261 |
| Land | 97,348,118 | 97,498,344 |
| Construction in Progress | 120,596,297 | 63,059,810 |
| Depreciable Capital Assets - Net of Accumulated Depreciation | 622,754,169 | 618,921,480 |
| Total Non-Current Assets - Unrestricted | 881,440,443 | 819,324,506 |
| | | |
| **Non-Current Assets - Restricted** | | |
| Cash & Cash Equivalents | 12,344,483 | 51,237,098 |
| Cash & Cash Equivalents - CFC Bond Proceeds | 3,638,821 | 10,862,876 |
| Other Investments | 67,664,290 | 67,233,301 |
| Other Investments - CFC Bond Proceeds | - | 58,627,603 |
| Total Non-Current Assets - Restricted | 83,647,594 | 187,960,878 |
| **Total Non-Current Assets** | **965,088,037** | **1,007,285,384** |
| **Total Assets** | **1,099,151,994** | **1,088,541,822** |
| | | |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| OPEB: | 4,253,495 | 1,931,064 |
| Pensions: | | |
| Ohio Public Employees Retirement System - Traditional Plan | 2,878,756 | 12,898,219 |
| Ohio Public Employees Retirement System - Combined Plan | 149,703 | 210,789 |
| Ohio Public Employees Retirement System - Member-Directed Plan | 50,885 | 43,015 |
| Ohio Public Employees Retirement System Contributions - All Plans | 3,618,464 | 3,819,472 |
| Total Pensions | 6,697,808 | 16,971,495 |
| | | |
| **Total Deferred Outflows of Resources** | **$ 10,951,303** | **$ 18,902,559** |

See accompanying notes to the financial statements

## *Statements of Net Position*

## As of December 31, 2020 and 2019 (continued)

| LIABILITIES | 2020 | 2019 |
|---|---|---|
| **Current Liabilities - Unrestricted** | | |
| Accounts Payable - Trade | $ 10,785,996 | $ 11,609,621 |
| Accrued Interest Payable | 248,266 | 320,722 |
| Accrued & Withheld Employee Benefits | 5,814,996 | 7,112,557 |
| Unearned Rent | 597,177 | 403,028 |
| Customer Deposits & Other | 425,571 | 431,582 |
| Other Accrued Expenses | 8,629,677 | 9,311,515 |
| **Total Current Liabilities** | **26,501,683** | **29,189,025** |
| **Long-Term Liabilities** | | |
| Payable from Restricted Assets - Due Within 1 Year | | |
| Retainages on Construction Contracts | 2,862,906 | 3,027,475 |
| Current Portion of Long-Term Debt (GARB) | 10,594,986 | 10,341,821 |
| Current Portion of Long-Term Debt (CFC) | 2,020,000 | - |
| Revolving Bank Loan | 31,372,109 | 17,394,696 |
| Total Payable from Restricted Assets - Due Within 1 Year | 46,850,001 | 30,763,992 |
| Payable from Unrestricted Assets - Due in more than 1 Year | | |
| Compensated Absences | 1,707,382 | 1,039,760 |
| Unearned Rent | 1,718,441 | 1,835,567 |
| Net Pension Liability | 33,880,152 | 48,882,875 |
| Net OPEB Liability | 24,735,462 | 24,623,407 |
| Long-Term Debt General Airport Revenues Bonds, Less Current Portion, Net | 39,927,458 | 50,522,444 |
| Payable from Restricted Assets - Due in more than 1 Year | | |
| Long-Term Debt CFC Revenue Bonds, Less Current Portion, Net | 92,305,000 | 94,325,000 |
| Total Payable from Unrestricted and Restricted Assets - Due in More Than 1 Year | 194,273,895 | 221,229,053 |
| **Total Long-Term Liabilities** | **241,123,896** | **251,993,045** |
| **Total Liabilities** | **267,625,579** | **281,182,070** |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred Gain on Bond Refunding | | |
| (Net of Accumulated Amortization of $116,567 in 2020 and $174,847 in 2019) | 174,841 | 233,130 |
| OPEB: | 4,700,841 | 66,811 |
| Pensions: | | |
| Ohio Public Employees Retirement System - Traditional Plan | 8,761,832 | 731,916 |
| Ohio Public Employees Retirement System - Combined Plan | 198,883 | 132,851 |
| Ohio Public Employees Retirement System - Member-Directed Plan | 5,473 | 2,207 |
| Total Pensions | 8,966,188 | 866,974 |
| **Total Deferred Inflows of Resources** | **13,841,870** | **1,166,915** |
| **NET POSITION** | | |
| Net Investment in Capital Assets | 667,943,011 | 675,610,717 |
| Restricted: | | |
| Passenger Facility Charges | - | 44,132,140 |
| Customer Facility Charges (Rental Cars) | 54,284,905 | 48,776,555 |
| Bond Reserves | 22,166,926 | 21,991,923 |
| Asset Forfeiture Program | 694,035 | 542,305 |
| Total Restricted Net Position | 77,145,866 | 115,442,923 |
| Unrestricted Net Position | 83,546,971 | 34,041,756 |
| **TOTAL NET POSITION** | **$ 828,635,848** | **$ 825,095,396** |

See accompanying notes to the financial statements

## *Statements of Revenues, Expenses and Changes in Net Position*

### For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Parking Revenue | $ 17,044,593 | $ 42,943,630 |
| Airline Revenue | 29,214,771 | 36,297,212 |
| Concession Revenue | 14,547,949 | 26,790,921 |
| Cargo Operations Revenue | 8,206,039 | 7,893,292 |
| Hotel Operations Revenue | 1,579,391 | 4,856,086 |
| General Aviation Revenue | 3,270,994 | 3,919,115 |
| Foreign Trade Zone Fees | 302,500 | 307,500 |
| Other Revenue | 5,634,722 | 6,257,955 |
| **Total Operating Revenues** | **79,800,959** | **129,265,711** |
| **OPERATING EXPENSES** | | |
| Employee Wages & Benefits | 41,910,712 | 48,136,938 |
| Purchase of Services | 28,586,977 | 37,064,268 |
| Materials & Supplies | 4,193,001 | 5,655,157 |
| Hotel Services | 1,400,700 | 2,668,839 |
| Other Expenses | 125,439 | 82,152 |
| **Total Operating Expenses** | **76,216,829** | **93,607,354** |
| Operating Income Before Depreciation | 3,584,130 | 35,658,357 |
| Less: Depreciation | 49,283,439 | 48,800,225 |
| **Operating Loss** | **(45,699,309)** | **(13,141,868)** |
| **NON-OPERATING REVENUES (EXPENSES)** | | |
| Investment Income | 1,892,119 | 3,838,831 |
| Investment Income - CFC | 1,000,407 | 1,444,181 |
| Passenger Facility Charges | 5,679,151 | 17,040,307 |
| Rental Car Facility Charges | 4,716,409 | 10,966,768 |
| CARES Act Revenue | 21,000,000 | - |
| GARB Interest Expense | (1,248,299) | (1,491,231) |
| CFC Backed Revenue Bond Interest Expense | (3,669,546) | (2,433,497) |
| Gain (Loss) on Securities | 935,175 | 1,054,275 |
| Amortization of Deferred Gain on Bond Refunding | 58,282 | 58,282 |
| Bond Issuance Costs | - | (814,399) |
| Gain (Loss) on Disposal of Assets | 360,800 | (16,115,577) |
| Other Non-Operating Revenues | 371,247 | 562,019 |
| **Total Non-Operating Revenues** | **31,095,745** | **14,109,959** |
| **Income Before Capital Contributions** | **(14,603,564)** | **968,091** |
| Capital Contributions | 18,144,016 | 13,660,066 |
| **Increase in Net Position** | **3,540,452** | **14,628,157** |
| Total Net Position - Beginning of Year | 825,095,396 | 810,467,239 |
| **Total Net Position - End of Year** | **$ 828,635,848** | **$ 825,095,396** |

See accompanying notes to the financial statements

## *Statements of Cash Flows*

### For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash Received from Customers | $ 86,793,667 | $ 129,752,602 |
| Cash Paid to Employees | (36,970,526) | (38,621,101) |
| Cash Paid to Suppliers | (36,352,229) | (44,762,471) |
| Other Payments | (125,439) | (82,152) |
| **Net Cash Provided by Operating Activities** | **13,345,473** | **46,286,878** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | |
| Proceeds from Federal, State, & Local Funded Operating Grants | 21,371,247 | 562,019 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Purchases of Property, Plant, & Equipment | (111,712,036) | (89,145,655) |
| Contributed Capital, Passenger Facility Charges, & Rental Car Facility Charges | 25,623,044 | 39,252,249 |
| Proceeds from Revolving Bank Loan | 13,977,413 | 7,736,134 |
| Interest Paid on Bonds, Notes and Loan | (4,990,308) | (3,746,694) |
| Payment of Bond Issuance Costs | - | (814,399) |
| Principal Payments on Bonds, Notes, & Loan | (10,341,821) | (10,152,352) |
| Borrowing from Bonds, Notes, & Loan | - | 94,325,000 |
| Proceeds from the Sale of Capital Assets | 1,482,901 | 6,885,243 |
| **Net Cash Used in Capital and Related Financing Activities** | **(85,960,807)** | **44,339,526** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of Investments | (153,221,337) | (168,539,038) |
| Proceeds from the Sale of Investments | 211,025,246 | 104,015,777 |
| Income Received on Cash and Investments | 4,113,000 | 5,925,577 |
| **Net Cash Used in Investing Activities** | **61,916,909** | **(58,597,684)** |
| **Net Increase in Cash & Cash Equivalents** | **10,672,822** | **32,590,739** |
| Cash & Cash Equivalents - Beginning of Year | 106,885,158 | 74,294,419 |
| **Cash & Cash Equivalents - End of Year** | **$ 117,557,980** | **$ 106,885,158** |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | |
| Operating Loss | $ (45,699,309) | $ (13,141,868) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities: | | |
| Depreciation | 49,283,439 | 48,800,225 |
| Pension Expense Not Affecting Cash | 3,146,471 | 7,535,329 |
| OPEB Expense Not Affecting Cash | 2,423,654 | 2,735,053 |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable - Trade | 6,219,530 | 732,804 |
| Accounts Receivable - Other | 773,178 | (245,913) |
| Deposits, Prepaid Items, and Other | (660,077) | (31,470) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | (823,625) | 2,925,213 |
| Accrued Liabilities | (1,311,777) | (3,019,293) |
| Customer Deposits | (6,011) | (3,202) |
| **Net Cash Provided by Operating Activities** | **$ 13,345,473** | **$ 46,286,878** |
| **SUPPLEMENTAL INFORMATION** | | |
| **Noncash Related Activities:** | | |
| Change in Fair Value of Investments | $ 935,175 | $ 1,054,275 |

See accompanying notes to the financial statements

The accounting methods and procedures adopted by the Columbus Regional Airport Authority (the Authority) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following notes are an integral part of the Authority's financial statements.

# Note 1 - *Organization and Reporting Entity*

## Organization

The Authority is an independent, special purpose political subdivision of the State of Ohio. As a political subdivision, the Authority is distinct from, and is not, an agency of the State of Ohio or any other local governmental unit. On December 12, 2002, the Columbus Municipal Airport Authority (CMAA), the City of Columbus, Ohio (the City) and the County of Franklin, Ohio (the County) entered into the Port Authority Consolidation and Joinder Agreement with an effective date of January 1, 2003, which created a single regional authority to oversee the airports formerly managed by the CMAA and the Rickenbacker Port Authority (RPA). Under the Agreement the RPA was dissolved and the CMAA, the surviving entity, was renamed the Columbus Regional Airport Authority. The Agreement provided for the ultimate transfer of all the RPA's rights, title, and interests in all of the assets and liabilities to the Authority. The assets were recorded on the Authority's records at net book value. The newly created Authority merged the operations of the RPA and the CMAA. The Authority administers an airport system comprised of John Glenn Columbus International (CMH), Rickenbacker International (LCK) and a reliever airport, Bolton Field (TZR).

The governing board for the Authority is jointly appointed by the City and the County. Four members are appointed by the Mayor of Columbus with the advice and consent of the City Council, four members are appointed by the County Commissioners and one member is jointly appointed. The members first appointed serve staggered terms. Thereafter, each successor serves for a term of four years, except that any person appointed to fill a vacancy is to be appointed to serve only the unexpired term. Members of the Board are eligible for reappointment. The Board controls the employment of the President & CEO of the Authority who is responsible for staffing the respective departments and overseeing the day-to-day operations.

The CMAA was created on July 30, 1990, pursuant to the provisions of Chapter 4582, Ohio Revised Code (ORC), as a body corporate and politic. On November 10, 1991, the transfer date, the CMAA began operations under a use agreement with the City for the purpose of providing airport facilities to the general public. On this date, the City transferred the use of all assets and liabilities of the airport enterprise fund to the CMAA. This transfer was recorded at the net book value. In 2007, the Authority paid the remaining balance of the City bonds, which resulted in the termination of the use agreement and title to the airport property was transferred to the Authority.

The RPA was formed under ORC Chapter 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States Government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions and restrictions and reverts to the United States Government at the Government's option if any covenant is violated and not cured within 60 days. At December 31, 2020, the Authority owns approximately 3,800 acres of land contiguous to certain airfield property owned by the United States Government at LCK.

The Authority is not subject to federal, state, or local income taxes or sales tax.

### Reporting Entity

The Authority's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 80, "*Blending Requirements for Certain Component Units*" an amendment of GASB Statement No. 61 "*The Reporting Entity: Omnibus*" an amendment of GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 14, "*The Reporting Entity*." The financial statements include all departments and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability also may be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

The Authority is a joint venture of the County.

## Note 2 - *Summary of Significant Accounting Policies*

### Basis of Accounting

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Revenues from rent and turn fees, landing fees, parking revenue, hotel revenue and other miscellaneous revenue are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues. Passenger Facility Charges and Rental Car Facility Charges are reported as non-operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies, hotel services and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Pursuant to GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", the Authority follows the GASB guidance as applicable to enterprise funds.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Budgetary Data

For budgetary purposes, the Authority recognizes gains or losses from investment securities at the time that the security has matured or is sold. This is different from the accrual basis which recognizes such gains and losses at the time the fair market value of the security changes. All other revenues and expenses are reported consistent with the accrual basis. State statute does not require a specific budgetary basis of accounting under ORC Chapter 4582. The Authority has adopted this basis of accounting to comply with certain airline agreements currently in effect.

The budgetary process begins in June of each year. Each department manager estimates the expected costs to be incurred for the upcoming year. Revenues are estimated based on history, projected increases, and market trends within the aviation industry. The President & CEO is responsible to submit budgets for operating revenues and expenses and capital improvements to the Board for approval at least 30 days prior to the beginning of each fiscal year. The budget can be amended by the Board subsequent to its adoption.

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

### Investments

The Authority follows Governmental Accounting Standards Board ("GASB") Statement No. 72 "*Fair Value Measurement and Application*." GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

### Capital Contributions

Certain expenditures for airport capital improvements are significantly federally funded through the Airport Improvement Program of the Federal Aviation Administration (FAA) with certain matching funds provided by the State of Ohio and the Authority, or from other various state, county or federal grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for the acquisition and construction of land, property and certain types of equipment are reported in the Statements of Revenues, Expenses and Changes in Net Position, under the classification of capital contributions. Contributed capital assets are valued at acquisition value.

### Receivables

Receivables are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history, aviation industry trends and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected.

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2020 and 2019. The receivable was arrived at primarily by taking the subsequent collection of commissions and real estate taxes, which are received after year-end, and recording the portions earned through year-end.

### Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses) until then. The Authority recorded a deferred outflow of resources for OPEB and pensions, which are explained in Note 9 and 10.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the Authority these amounts consist of OPEB and pensions, which are explained in Note 9 and 10 and a deferred gain on bond refunding, which are explained in Note 8.

### Restricted Assets

Restricted assets consist of monies and other resources, which are restricted legally or by enabling legislation. These restrictions are described below:

**Restricted for Construction Retainages** — These assets are restricted for certain capital projects and cannot be expended on any other item.

**Restricted for Bond Reserves** — These assets are restricted for the retirement of the Airport Revenue Bonds, Series 2013A, 2013B, 2015, and 2016, and Customer Facility Charge Revenue Bonds, Series 2019.

**Restricted for Passenger Facility Charges** — These assets represent Passenger Facility Charge (PFC) collections based on an approved FAA application to impose such charges on enplaned passengers at CMH and are restricted for designated capital projects.

**Restricted for Consolidated Rental Car Facility Charges** — These assets represent Customer Facility Charges (Rental Cars) collections based on a board approved resolution to impose such charges on customers of the rental car concessionaires and are restricted for designated capital projects and retirement of Customer Facility Charge Revenue Bonds, Series 2019.

**Restricted Net Position** — At December 31, 2020, none of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges as defined by GASB Statement No. 46, "*Net Assets Restricted by Enabling Legislation*." At December 31, 2019, $44,132,140 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

At December 31, 2020, $54,284,905 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's Board designation for specific use to construct a consolidated rental car facility as defined by GASB Statement No. 46, "*Net Assets Restricted by Enabling Legislation*." At December 31, 2019, $48,776,555 of the Authority's position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's board designation for specific use to construct a consolidated rental car facility.

### Capital Assets

Capital assets are stated at historical cost or estimated historical cost and include expenditures, which substantially increase the useful lives of existing assets. The Authority's policy is to capitalize assets with a cost of $25,000 or more, and with a useful life of more than 1 year. The capitalization limit was increased from $10,000 in 2019 to $25,000 in 2020. Routine maintenance and repairs are expensed as incurred. GASB Statement No. 89 "*Accounting for Interest Cost Incurred Before the End of Construction Period*" states interest cost incurred before the end of construction requires those costs to be expensed in the period incurred. The provisions of the statement are effective December 31, 2021. The provisions of this statement are applied prospectively, the Authority early implemented the provisions with financial statements for the year ending December 31, 2019.

| | Total 12/31/2019 | Additions | Deletions | Transfers | Total 12/31/2020 |
|---|---|---|---|---|---|
| **DEPRECIABLE CAPITAL ASSETS:** | | | | | |
| Buildings | $ 480,251,744 | $ 14,134,948 | $ (127,204) | $ 13,927,218 | $ 508,186,706 |
| Runways & Other | 733,248,246 | 18,034,747 | (104,452) | 2,509,977 | 753,688,518 |
| Machinery | 112,008,581 | 5,255,093 | (8,936,090) | - | 108,327,584 |
| Furniture | 2,882,103 | 114,380 | (70,166) | - | 2,926,317 |
| **Total Depreciable Capital Assets** | **1,328,390,674** | **37,539,168** | **(9,237,912)** | **16,437,195** | **1,373,129,125** |
| **LESS ACCUMULATED DEPRECIATION:** | | | | | |
| Buildings | 212,938,791 | 11,637,891 | (44,609) | - | 224,532,073 |
| Runways & Other | 423,237,459 | 28,672,182 | (43,740) | - | 451,865,901 |
| Machinery | 70,702,884 | 8,890,498 | (8,219,162) | - | 71,374,220 |
| Furniture | 2,590,060 | 82,868 | (70,166) | - | 2,602,762 |
| **Total Accumulated Depreciation** | **709,469,194** | **49,283,439** | **(8,377,677)** | **-** | **750,374,956** |
| **Depreciable Capital Assets, Net** | **$ 618,921,480** | **$ (11,744,271)** | **$ (860,235)** | **$ 16,437,195** | **$ 622,754,169** |
| **NONDEPRECIABLE CAPITAL ASSETS:** | | | | | |
| Land | $ 97,498,344 | $ 112,640 | $ (262,866) | $ - | $ 97,348,118 |
| Construction In Progress | 63,059,810 | 73,973,683 | - | (16,437,196) | 120,596,297 |
| **Total Nondepreciable Capital Assets** | **$ 160,558,154** | **$ 74,086,323** | **$ (262,866)** | **$ (16,437,196)** | **$ 217,944,415** |

| | Total 12/31/2018 | Additions | Deletions | Transfers | Total 12/31/2019 |
|---|---|---|---|---|---|
| **DEPRECIABLE CAPITAL ASSETS:** | | | | | |
| Buildings | $ 477,464,172 | $ 1,170,933 | $ - | $ 1,616,639 | $ 480,251,744 |
| Runways & Other | 725,997,682 | 30,290,895 | (35,819,958) | 12,779,627 | 733,248,246 |
| Machinery | 101,671,815 | 11,737,091 | (1,443,546) | 43,221 | 112,008,581 |
| Furniture | 2,807,821 | 76,638 | (2,356) | - | 2,882,103 |
| **Total Depreciable Capital Assets** | **1,307,941,490** | **43,275,557** | **(37,265,860)** | **14,439,487** | **1,328,390,674** |
| **LESS ACCUMULATED DEPRECIATION:** | | | | | |
| Buildings | 201,294,899 | 11,643,892 | - | - | 212,938,791 |
| Runways & Other | 409,367,452 | 28,518,475 | (14,648,468) | - | 423,237,459 |
| Machinery | 63,453,097 | 8,568,543 | (1,318,756) | - | 70,702,884 |
| Furniture | 2,523,102 | 69,314 | (2,356) | - | 2,590,060 |
| **Total Accumulated Depreciation** | **676,638,550** | **48,800,224** | **(15,969,580)** | **-** | **709,469,194** |
| **Depreciable Capital Assets, Net** | **$ 631,302,940** | **$ (5,524,667)** | **$ (21,296,280)** | **$ 14,439,487** | **$ 618,921,480** |
| **NONDEPRECIABLE CAPITAL ASSETS:** | | | | | |
| Land | $ 95,282,252 | $ 2,268,384 | $ (55,656) | $ 3,364 | $ 97,498,344 |
| Construction In Progress | 33,960,219 | 45,192,726 | (1,650,284) | (14,442,851) | 63,059,810 |
| **Total Nondepreciable Capital Assets** | **$ 129,242,471** | **$ 47,461,110** | **$ (1,705,940)** | **$ (14,439,487)** | **$ 160,558,154** |

Depreciation of property and equipment is computed under the straight-line method at various rates considered adequate to allocate the cost over the estimated useful lives of such assets. The estimated useful lives by general classification are as follows:

| | Years |
|---|---|
| Buildings and Building Improvements | 5-40 |
| Runways, Taxiways, and Other | 20 |
| Machinery and Equipment | 5-10 |
| Furniture and Fixtures | 7 |

## Compensated Absences

In conformity with GASB Statement No. 16, "*Accounting for Compensated Absences*," the Authority accrues vacation and sick pay benefits as earned by its employees utilizing the vesting method.

**A summary of the changes in compensated absences for the year ended December 31, 2020 is summarized as follows:**

| | Total 12/31/2019 | Additions | Payments | Total 12/31/2020 | Current Portion |
|---|---|---|---|---|---|
| Compensated Absences | $4,739,760 | $3,125,537 | $3,057,915 | $4,807,382 | $3,100,000 |

**A summary of the changes in compensated absences for the year ended December 31, 2019 is summarized as follows:**

| | Total 12/31/2018 | Additions | Payments | Total 12/31/2019 | Current Portion |
|---|---|---|---|---|---|
| Compensated Absences | $4,949,260 | $3,487,189 | $3,696,689 | $4,739,760 | $3,700,000 |

## Risk Management

It is the policy of the Authority to eliminate or transfer risk. Where possible, lease agreements contain insurance requirements and hold harmless clauses. Contractors are required to maintain appropriate amounts of insurance and bonding.

The Authority carries property insurance on airport property and equipment in the aggregate sum of approximately $624 million as of December 31, 2020 and $500 million as of December 31, 2019. The Authority carries liability insurance coverage in the amount of $813 million as of December 31, 2020 and $808 million as of December 31, 2019.

The Authority self-insures cost associated with workers' compensation up to certain limits. Insurance reserves are established for estimates of the loss that will ultimately be incurred on reported claims, as well as estimates of claims that have been incurred but not yet reported. Recorded balances are based on reserve levels determined by outside actuaries, who incorporate historical loss experience and judgments about the present and expected levels of cost per claim.

**A summary of the changes in this accrual are as follows:**

| | | 2020 | | 2019 | | 2018 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ | 115,364 | $ | 245,376 | $ | 235,101 |
| Payments | | (287,964) | | (312,228) | | (318,654) |
| Claims | | 272,600 | | 182,216 | | 328,929 |
| **Ending Balance** | **$** | **100,000** | **$** | **115,364** | **$** | **245,376** |

There have been no significant changes in coverage or settlements in excess of insurance coverage during the past year.

The Authority began providing medical and dental coverage for its employees on a self-insurance basis up to a certain limit on May 1, 2016. Expenses for claims are recorded on an accrual basis based on the date claims are incurred and are shown on the Statements of Net Position under Other Accrued Expenses.

**A summary of the changes in this accrual are as follows:**

| | | 2020 | | 2019 | | 2018 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ | 600,000 | $ | 600,000 | $ | 600,000 |
| Accruals | | 4,373,692 | | 4,652,429 | | 4,847,295 |
| Claims Paid | | (4,373,692) | | (4,652,429) | | (4,847,295) |
| **Ending Balance** | **$** | **600,000** | **$** | **600,000** | **$** | **600,000** |

Liability for claims is accrued based on estimates of the claims liabilities made by the Authority's third-party actuary. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate.

### Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System Pension Plan (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPERS report investments at fair value (see Note 10).

### Other Postemployment Benefits

For purposes of measuring the net other postemployment benefit (OPEB) liability in, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Revenue

Rental income is recorded from the majority of leases maintained by the Authority, which are accounted for as operating leases. Rental income is generally recognized as it is earned over the respective lease terms.

Other types of revenue are recognized when earned, as the underlying exchange transaction occurs.

Landing fees are based upon projections of operations and are recalculated annually.

### Passenger Facility Charges

Passenger Facility Charges (PFCs), along with related interest income, are recognized and recorded in the year the PFC is levied and collected by the air carrier, net of an allowance for estimated ticket refunds.

PFC monies are legally restricted for capital projects and related expenditures and cannot be used for any other purpose. The PFC monies will be used to assist in funding the Authority's capital improvement program involving runway, taxiway and apron improvements, the funding of debt service associated with these projects, and various other projects.

### Customer Facility Charges (Rental Cars)

The Authority collects a Customer Facility Charge (CFC) from all rental car concessionaires that operate facilities on the airport. Under an adopting resolution, CFC's may be pledged or dedicated for the benefit of the rental car concessionaires. The Authority has identified a need for a consolidated rental car facility, and the CFC monies will be used to assist in funding the construction of a garage.

### Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2022.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Authority's financial statements for the December 31, 2022 fiscal year.

In January 2020, In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, which enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of Statement 92 that relate to the effective date of Statement 87 and its associated implementation guidance are effective upon issuance. All other provisions of the statement are effective for periods beginning after June 15, 2020. The Authority has not determined the impact of the new standard on the financial statements.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2023.

## Note 3 - *Cash and Cash Equivalents*

The Authority follows the provisions of GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and GASB Statement No. 79 "*Certain External Investment Pools and Pool Participants*." The Authority records all investments at their fair value.

The investment and deposit of Authority monies is governed by the provisions of the ORC. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the Authority to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool and obligations of the United States government or certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days. The Authority has an investment policy consistent with Ohio Senate Bill 81.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, *"Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants."* Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2020 and 2019. STAR Ohio maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR Ohio has established procedures to stabilize the net asset value per share, as computed for the purpose of purchase and redemption, at a single value of $1.00. For the years ended December 31, 2020 and 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Public depositories must give security for all public funds on deposit. In 2017, the Treasurer of State created the Ohio Pooled Collateral Program (OPCP) under ORC 135.182 which requires institutions designated as a public depository to pledge to the Treasurer of State a single pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of all uninsured public deposits at the public depository. The market value of the pledged securities is to be at least equal 102% of total amount of the uninsured public deposits or an amount determined by the rules of the Treasurer of State for determining the aggregate market value of the pool of eligible securities pledged by a public depository. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

### Deposits with Financial Institutions

At December 31, 2020, the carrying amount of the Authority's deposits with financial institutions was $39,174,735 and the bank balance was $39,384,791. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," $750,000 of the bank balance was covered by deposit insurance provided by the FDIC; and $38,634,791 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

At December 31, 2019, the carrying amount of the Authority's deposits with financial institutions was $27,005,718 and the bank balance was $26,921,014. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," $750,000 of the bank balance was covered by deposit insurance provided by the FDIC; and $26,171,014 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned, or the Authority will not be able to recover collateral securities in possession of an outside party. For depository accounts, the Authority has chosen to require deposits to be secured by collateral less the amount of the FDIC insurance based on the daily available bank balances which was 102% under the OPCP program for 2020 and 2019 to limit its exposure to custodial credit risk.

In addition, the Authority had $14,520 and $20,287 in cash on hand at December 31, 2020 and 2019 respectively.

### Investments

The Authority follows GASB Statement No. 72, "*Fair Value Measurement and Application*", which requires the Authority to categorize its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs which includes using quoted prices of securities with similar characteristics or independent pricing services and pricing models; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

As of December 31, 2020, the Authority has the following recurring fair value measurements valued using other observable inputs including active markets (Level 2 inputs).

**Investments and maturities as of December 31, 2020, are summarized below:**

| Type of Investment | | Market Value | Rating | Weighted Average Days to Maturity |
|---|---|---|---|---|
| Federal Agency Obligations & Notes | $ | 89,123,571 | Aaa | 982 |
| Commercial Paper | | 19,025,352 | P-1 | 191 |
| Certificates of Deposit | | 11,560,071 | - | 924 |
| Municipal Bonds | | 2,536,453 | AA | 1,262 |
| **Total** | **$** | **122,245,447** | | |

As of December 31, 2019, the Authority has the following recurring fair value measurements valued using other observable inputs including active markets (Level 2 inputs).

**Investments and maturities as of December 31, 2019, are summarized below:**

| Type of Investment | | Market Value | Rating | Weighted Average Days to Maturity |
|---|---|---|---|---|
| Federal Agency Obligations & Notes | $ | 130,990,811 | Aaa | 707 |
| Commercial Paper | | 42,768,141 | P-1 | 74 |
| Certificates of Deposit | | 6,290,404 | - | 1,293 |
| **Total** | **$** | **180,049,356** | | |

The Authority's unrestricted and restricted cash and cash equivalents included $9,015,015 of money market funds, and $69,353,709 of STAR Ohio funds as of December 31, 2020. The Authority's unrestricted and restricted cash and cash equivalents included $16,118,497 of money market funds, and $63,388,608 of STAR Ohio funds as of December 31, 2019. Standard & Poor's rating for the STAR Ohio fund is AAAm.

The Authority's investment strategy incorporates certain financial instruments, which involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements.

**Interest Rate Risk –** The market value of securities in the portfolio will increase or decrease based upon changes in the general level of interest rates. Investments with longer maturity dates are subject to greater degrees of increases or decreases in market value as interest rates change. The Authority's written investment policy addresses the effects of market value fluctuations. The Authority mitigates interest rate risk by maintaining adequate liquidity so that current obligations can be met without a sale of securities and by diversifying both maturities and assets in the portfolio.

**Credit Risk –** Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to Section 135.14 ORC, affected by credit risk include certificates of deposit, commercial paper, bankers' acceptances, and counterparties involved in repurchase agreements. The Authority's written investment policy does not consider U.S. Treasury obligations guaranteed by the U.S. Treasury and federal agency securities as having credit risk. Credit risk is minimized by diversifying assets by issuer; ensuring that required, minimum credit quality ratings as described by nationally recognized rating organizations and agencies exist prior to the purchase of commercial paper and bankers' acceptances; and maintaining adequate collateralization of certificates of deposits.

**Custodial Credit Risk –** The Authority's unrestricted and restricted investments at December 31, 2020 and 2019, are insured, registered, or are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

**Concentration of Risk –** A risk of concentration refers to an exposure with the potential to produce losses large enough to threaten the Authority's financial health or ability to maintain its core operations. Risk concentrations can arise through a combination of exposures across broad categories. The potential for loss reflects the size of position and the extent of any losses given a particular adverse circumstance. The Concentration of Risk category excludes U.S. Treasury issues guaranteed by the U.S. Treasury, federal agency issues, eligible money market mutual funds and the Ohio Treasurer's investment pool, STAR Ohio. The Authority's written investment policy states that the portfolio shall contain less than 5 percent, based upon purchase cost, in any one issuer with credit risk as a percentage of the portfolio's book value at the time of purchase. Additionally, the Authority's written investment policy establishes maximum percentages allowed for callable and variable rate investments issued by federal agencies, commercial paper, bankers' acceptances, repurchase agreements and certificate of deposits.

## Note 4 - *Restricted Cash and Investments*

**The following amounts represent restricted cash and investments as of December 31, 2020 and 2019:**

| | 2020 | 2019 |
|---|---|---|
| CASH AND INVESTMENTS: | | |
| Restricted for CFC Bond Proceeds | $ - | $ 69,490,479 |
| Restricted for Customer Facility Charge | 54,284,905 | 48,776,555 |
| Restricted for Passenger Facility Charge | - | 44,132,140 |
| Restricted for Debt Service | 22,166,926 | 21,991,923 |
| Retainages on Construction Contracts | 2,862,906 | 3,027,475 |
| Asset Forfeiture | 694,035 | 542,305 |
| **Total Restricted Cash & Investments** | **$ 80,008,772** | **$ 187,960,877** |

## Note 5 - *Receivables*

**The following amounts represent receivables due to the Authority at December 31, 2020 and 2019:**

| | 2020 | 2019 |
|---|---|---|
| UNRESTRICTED | | |
| Current: | | |
| Accounts Receivable - Trade | $ 9,298,601 | $ 9,789,166 |
| Accounts Receivable - Capital Grants | 3,021,678 | 5,938,211 |
| Less Allowance for Uncollectables | (57,781) | (161,881) |
| **Total Current Unrestricted Trade Receivables** | **12,262,498** | **15,565,496** |
| Accounts Receivable - Other | 1,087,941 | 1,889,162 |
| Non-Current: | | |
| Accounts Receivable - Other | 385,782 | 357,739 |
| **Total Unrestricted Receivables** | **$ 13,736,221** | **$ 17,812,397** |

## Note 6 - *Revolving Bank Loan and Credit Facility Agreement*

The Authority defeased Subordinated Obligations Trust Indenture and Credit Facility Agreement dated June 14, 2012 with PNC Bank with the issuance of the Subordinated Obligation Trust Indenture dated December 12, 2018 with Bank of America NA. The Authority is authorized via a revolving loan in the form of Credit Facility Bonds to borrow up to $75 million from the 2018 Credit Facility Provider. Under the 2012 Agreement, the authorized maximum commitment was $40 million beginning January 1, 2017 until maturity of the agreement on December 12, 2018. Both facility agreements are subordinated to the Authority's senior revenue bonds (See Note 8) and payable on a subordinated basis from the Authority's Net Revenues and investment income.

The borrowings in the form of three series credit facility bonds (Series 2018A-Tax-exempt, Non-AMT; Series 2018B-Tax-exempt, AMT; and Series 2018C-Taxable) may be used to finance authorized capital and construction projects.

The outstanding principal on the 2018 Series tax-exempt, non-bank qualified credit facility bears interest at a variable rate equal to the sum of the LIBOR RATE for that One-Month LIBOR Period multiplied by 0.80 plus 45 basis points (0.45%). The taxable rate equivalent would be 1-month LIBOR plus 55 basis points (0.55%). If more than 50% of the available facility remains unused, the Authority incurs a commitment fee of 25 basis points (0.25%) on the unused portion of the facility. The outstanding principal on the 2012 Series tax-exempt, non-bank qualified credit facility bears interest at a variable rate equal to the sum of the LIBOR RATE for that One-Month LIBOR Period multiplied by 0.72 plus 85 basis points (0.85%). The taxable rate equivalent would be 1-month LIBOR plus 120 basis points (1.2%). The Authority incurs a commitment fee of 10 basis points (0.1%) on the unused portion of the facility.

The Authority had tax-exempt outstanding borrowings of $31,372,109 at a rate of approximately 0.57% at December 31, 2020 and $17,394,696 at a rate of approximately 1.86% as of December 31, 2019.

**Credit Facility Agreement information and activity as of and for the year ended December 31, 2020 is presented below:**

| | Total 12/31/2019 | Additions | Payments | Total 12/31/2020 | Current Portion |
|---|---|---|---|---|---|
| Series 2018A | $ 7,861,134 | $ 13,977,413 | $ - | $ 21,838,547 | $ 21,838,547 |
| Series 2018B | 9,533,562 | - | - | 9,533,562 | 9,533,562 |
| **Total** | **$ 17,394,696** | **$ 13,977,413** | **$ -** | **$ 31,372,109** | **$ 31,372,109** |

**Credit Facility Agreement information and activity as of and for the year ended December 31, 2019 is presented below:**

| | Total 12/31/2018 | Additions | Payments | Total 12/31/2019 | Current Portion |
|---|---|---|---|---|---|
| Series 2018A | $ 125,000 | $ 7,736,134 | $ - | $ 7,861,134 | $ 7,861,134 |
| Series 2018B | 9,533,562 | - | - | 9,533,562 | 9,533,562 |
| **Total** | **$ 9,658,562** | **$ 7,736,134** | **$ -** | **$ 17,394,696** | **$ 17,394,696** |

# Note 7 - *Unearned Income*

**Unearned income activity for the year ended December 31, 2020 is summarized as follows:**

| | Total 12/31/2019 | Additions | Payments | Total 12/31/2020 | Current Portion |
|---|---|---|---|---|---|
| Unearned Rent - | | | | | |
| Net Discount | $ 1,880,856 | $ 282,248 | $ 233,268 | $ 1,929,836 | $ 211,395 |
| Advance Grants & Other | 357,739 | 28,043 | - | 385,782 | 385,782 |
| **Total** | **$ 2,238,595** | **$ 310,291** | **$ 233,268** | **$ 2,315,618** | **$ 597,177** |

**Unearned income activity for the year ended December 31, 2019 is summarized as follows:**

| | Total 12/31/2018 | Additions | Payments | Total 12/31/2019 | Current Portion |
|---|---|---|---|---|---|
| Unearned Rent - | | | | | |
| Net Discount | $ 1,997,843 | $ 104,223 | $ 221,210 | $ 1,880,856 | $ 45,289 |
| Advance Grants & Other | 345,885 | 40,647 | 28,793 | 357,739 | 357,739 |
| **Total** | **$ 2,343,728** | **$ 144,870** | **$ 250,003** | **$ 2,238,595** | **$ 403,028** |

# Note 8 - *Long-Term Debt*

## Revenue bonds

On October 8, 2013, the Authority issued $13,805,000 of Airport Refunding Revenue Bonds, Series 2013A. Series 2013A is a direct placement loan with Key Bank. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003A. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $169,250 beginning February 2014 through April 2021. Interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2020 are $609,961. Revenue bonds payable at December 31, 2019, were $2,612,730. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 8, 2013, the Authority issued $3,795,000 of Airport Refunding Revenue Bonds, Series 2013B. Series 2013B is a direct placement loan with Key Bank. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003B. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $45,400 beginning February 2014 through April 2021. The interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2020 are $267,729. Revenue bonds payable at December 31, 2019 were $803,257. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On March 31, 2015, the Authority issued $40,000,000 of Airport Refunding Revenue Bonds, Series 2015 (AMT). Series 2015 is a direct placement loan with Huntington National Bank. The bond proceeds were used to partially refund the Authority's outstanding Credit Facility Bonds, Series 2012B (See Note 6). The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $280,662 beginning January 2016 through January 2030. The interest rate is fixed at 2.48%. Revenue bonds payable at December 31, 2020 are $27,366,143. Revenue bonds payable at December 31, 2019 were $30,019,638. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 6, 2016, the Authority issued $41,982,000 of Airport Refunding Revenue Bonds, Series 2016. Series 2016 is a direct placement loan with Key Bank. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2007. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $463,020 beginning February 2017 through November 2023. The interest rate is fixed at 1.62%. Revenue bonds payable at December 31, 2020 are $22,278,611. Revenue bonds payable at December 31, 2019 were $27,428,640. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

Net revenue of the John Glenn International Airport is pledged toward the repayment of the Airport Revenue Bonds. Net revenue consists of operating revenue, investment income, other non-operating revenues, gain (loss) on securities, and gain (loss) on disposal of assets reduced by operating expenses not including depreciation. For December 31, 2020, the net revenue was $20.1 million compared to the net debt service (principal and interest) of $11.4 million.

**Airport refunding revenue bonds and loan activity for the year ended December 31, 2020 is summarized as follows:**

| | Beginning Balance | New Debt | Net Principal Repayment | Ending Balance |
|---|---|---|---|---|
| **BONDS:** | | | | |
| 2013A | $ 2,612,730 | $ - | $ (2,002,769) | $ 609,961 |
| 2013B | 803,257 | - | (535,528) | 267,729 |
| 2015 | 30,019,638 | - | (2,653,495) | 27,366,143 |
| 2016 | 27,428,640 | - | (5,150,029) | 22,278,611 |
| | 60,864,265 | **$ -** | **$ (10,341,821)** | 50,522,444 |
| Less: Current Portion | 10,341,821 | | | 10,594,986 |
| | **$ 50,522,444** | | | **$ 39,927,458** |

**Airport refunding revenue bond and loan activity for the year ended December 31, 2019 is summarized as follows:**

| | Beginning Balance | New Debt | Net Principal Repayment | Ending Balance |
|---|---|---|---|---|
| **BONDS:** | | | | |
| 2013A | $ 4,582,492 | $ - | $ (1,969,762) | $ 2,612,730 |
| 2013B | 1,329,959 | - | (526,702) | 803,257 |
| 2015 | 32,608,201 | - | (2,588,563) | 30,019,638 |
| 2016 | 32,495,965 | - | (5,067,325) | 27,428,640 |
| | 71,016,617 | **$ -** | **$ (10,152,352)** | 60,864,265 |
| Less: Current Portion | 10,152,352 | | | 10,341,821 |
| | **$ 60,864,265** | | | **$ 50,522,444** |

**Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2020 are as follows:**

| | Principal | Interest |
|---|---|---|
| 2021 | $ 10,594,987 | $ 946,396 |
| 2022 | 10,675,306 | 752,842 |
| 2023 | 10,252,571 | 553,870 |
| 2024 | 2,929,920 | 431,980 |
| 2025 | 3,003,414 | 358,334 |
| 2026-2030 | 13,066,246 | 659,233 |
| **Total** | **$ 50,522,444** | **$ 3,702,655** |

## Customer Facility Charge Revenue Bonds

On May 2, 2019, the Authority issued $94,325,000 of Customer Facility Charge Revenue Bonds, Series 2019 at interest rates ranging from 2.675% to 4.199% and paid semi-annually. The Series 2019 Bonds are being issued for the costs of design, development and construction of consolidated rental motor vehicle facility projects at John Glenn Columbus International Airport and to fund the Debt Service Reserve and the Debt Service Coverage Fund Requirements for the Series 2019 Bonds and to pay certain costs of issuance relating to the Series 2019 bonds. The Bonds are special limited obligations, payable solely from and secured by the receipts from collection of the Customer Facility Charges (Rental Cars) imposed by the Authority on rental motor vehicle customers who use or benefit from rental car facilities. At December 31, 2020 and 2019, the outstanding balance of the Series 2019 Bonds is $94,325,000 with a maturity of December 15, 2048. The Series 2019 Bonds maturing on December 15, 2039 and on December 15, 2048 are subject to mandatory sinking fund redemption. At December 31, 2020, the amount credited to the revenue bond debt service reserve accounts was in accordance with the applicable provisions of the official statement.

**Customer Facility Charge Revenue bond and loan activity for the year ended December 31, 2020 is summarized as follows:**

| | Beginning Balance | New Debt | Net Principal Repayment | Ending Balance |
|---|---|---|---|---|
| **BONDS:** | | | | |
| 2019 | $ 94,325,000 | $ - | $ - | $ 94,325,000 |
| | 94,325,000 | **$ -** | **$ -** | 94,325,000 |
| Less: Current Portion | - | | | 2,020,000 |
| | **$ 94,325,000** | | | **$ 92,305,000** |

**Customer Facility Charge Revenue bond and loan activity for the year ended December 31, 2019 is summarized as follows:**

| | Beginning Balance | New Debt | Net Principal Repayment | Ending Balance |
|---|---|---|---|---|
| **BONDS:** | | | | |
| 2019 | $ - | $ 94,325,000 | $ - | $ 94,325,000 |
| | - | **$ 94,325,000** | **$ -** | 94,325,000 |
| Less: Current Portion | - | | | - |
| | **$ -** | | | **$ 94,325,000** |

**Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2020 are as follows:**

| | Principal | Interest |
|---|---|---|
| 2021 | $ 2,020,000 | $ 3,669,546 |
| 2022 | 2,075,000 | 3,615,511 |
| 2023 | 2,135,000 | 3,557,452 |
| 2024 | 2,195,000 | 3,494,512 |
| 2025 | 2,265,000 | 3,426,665 |
| 2026-2030 | 12,505,000 | 15,951,870 |
| 2031-2035 | 14,955,000 | 13,499,303 |
| 2036-2040 | 18,175,000 | 10,277,432 |
| 2041-2045 | 22,270,000 | 6,185,127 |
| 2046-2048 | 15,730,000 | 1,339,061 |
| **Total** | **$ 94,325,000** | **$ 65,016,479** |

# Note 9 - *Other Post Retirement Benefits*

## Plan Description

OPERS administers the 115 Health Care Trust, a cost-sharing, multiple-employer defined benefit post-employment health care trust. OPERS health care program includes medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Currently, Medicare eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Although participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional and Combined plans, a portion of employer contributions is allocated to a retiree medical account. Upon retirement or separation, participants may be reimbursed for qualified medical expenses from these accounts.

All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. OPERS Board has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required. As a result, coverage may be reduced or eliminated at the discretion of OPERS. To qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must be at least age 60 with 20 or more years of qualifying Ohio service. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

OPERS issues a publicly available financial report that includes financial statements, required supplementary information about the OPEB plan's fiduciary net position, and the Plan Statement with OPEB plan details. The reports may be obtained by contacting:

| | | |
|---|---|---|
| Ohio Public Employees | 277 East Town Street | (800) 222-7377 |
| Retirement System | Columbus, Ohio 53215 | www.opers.org |

### Funding Policy

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0% in 2020 and 0% in 2019. Employer contributions as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for both 2020 and 2019 was 4.0%. Based upon the portion of each employer's contribution to OPERS set aside for funding OPEB as described above, none of the Authority's contribution was allocated to OPEB for the 12 months ended December 31, 2020 and 2019.

### Net OPEB Liability

At December 31, 2020, the Authority reported a liability for its proportionate share of the net OPEB liability of OPERS. For December 31, 2020, the net OPEB liability was measured as of December 31, 2019 for the OPERS plan. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations, rolled forward to the measurement date, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating units, actuarially determined.

At December 31, 2020, the Authority reported the following information related to the proportionate share and OPEB expense.

| Plan | Measurement Date | Net OPEB Liability 2020 | Proportionate Share 2020 |
|---|---|---|---|
| OPERS | December 31 | $24,735,462 | 0.179079% |

At December 31, 2019, the Authority reported the following information related to the proportionate share and OPEB expense.

| Plan | Measurement Date | Net OPEB Liability 2019 | Proportionate Share 2019 |
|---|---|---|---|
| OPERS | December 31 | $24,623,407 | 0.188864% |

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Authority recognized OPEB expense of $2,927,326. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2020 | | | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
| Difference Between Expected and Actual Experience | $ | 663 | $ | 2,262,172 |
| Net Difference Between Expected and Actual Investment Earnings | | - | | 1,259,523 |
| Changes in Assumptions | | 3,915,360 | | - |
| Change in Proportionate Share | | 337,472 | | 1,179,146 |
| **Total** | **$** | **4,253,495** | **$** | **4,700,841** |

For the year ended December 31, 2019, the Authority recognized OPEB expense of $2,735,053. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2019 | | | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
| Difference Between Expected and Actual Experience | $ | 8,338 | $ | 66,811 |
| Net Difference Between Expected and Actual Investment Earnings | | 1,128,838 | | - |
| Changes in Assumptions | | 793,888 | | - |
| **Total** | **$** | **1,931,064** | **$** | **66,811** |

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

| Years Ending December 31 | | Amount |
|---|---|---|
| 2021 | $ | 362,017 |
| 2022 | | 24,708 |
| 2023 | | (295,864) |
| 2024 | | (538,207) |
| 2025 | | - |
| Thereafter | | - |
| **Total** | **$** | **(447,346)** |

### Actuarial Assumptions

The total OPEB liability in the December 31, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods in the measurement:

| Actuarial Information | OPEB | OPEB |
|---|---|---|
| Actuarial Valuation Date | December 31, 2018 | December 31, 2017 |
| Rolled-Forward Measurement Date | December 31, 2019 | December 31, 2018 |
| Experience Study | 5-Year Period Ended December 31, 2015 | 5-Year Period Ended December 31, 2015 |
| Actuarial Cost Method | Individual entry age normal | Individual entry age normal |
| Actuarial Assumptions | | |
| Single Discount Rate | 3.16% | 3.96% |
| Investment Rate of Return | 6.00% | 6.00% |
| Municipal Bond Rate | 2.75% | 3.71% |
| Wage Inflation | 3.25% | 3.25% |
| Projected Salary Increases | 3.25% - 10.75% (includes wage inflation at 3.25%) | 3.25% - 10.75% (includes wage inflation at 3.25%) |
| Health Care Cost Trend Rate | 10.5% initial, 3.50% ultimate in 2030 | 10.0% initial, 3.25% ultimate in 2029 |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019 and as of December 31, 2017, rolled forward to the measurement date of December 31, 2018 by incorporating the expected value of health care costs accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return on the health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long term expected best estimates of arithmetical rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The table below displays the OPERS Board approved asset allocation policy for December 2019 and the expected real rates of return.

| Asset Class | Target Allocation for 2019 | Weighted Average Long-Term Expected Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 36.00% | 1.53% |
| Domestic Equities | 21.00 | 5.75 |
| REITs | 6.00 | 5.69 |
| International Equities | 23.00 | 7.66 |
| Other Investments | 14.00 | 4.90 |
| **Total** | **100.00%** | **4.55%** |

The table below displays the OPERS Board approved asset allocation policy for December 2018 and the expected real rates of return.

| Asset Class | Target Allocation for 2018 | Weighted Average Long-Term Expected Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 34.00% | 2.42% |
| Domestic Equities | 21.00 | 6.21 |
| REITs | 6.00 | 5.98 |
| International Equities | 22.00 | 7.83 |
| Other Investments | 17.00 | 5.57 |
| **Total** | **100.00%** | **5.16%** |

## Discount Rate

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

## Sensitivity to Changes in the Discount Rate

For 2020, the following Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.16%, as well as what the Authority's proportionate share of the net OPEB liability would be if calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

| Authority's Proportionate Share of the Net OPEB Liability/(Asset) | 1% Decrease 2.16% | Current Discount Rate 3.16% | 1% Increase 4.16% |
|---|---|---|---|
| OPEB | $32,370,320 | $24,735,462 | $18,622,425 |

For 2019, the following Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.96%, as well as what the Authority's proportionate share of the net OPEB liability would be if calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

| Authority's Proportionate Share of the Net OPEB Liability/(Asset) | 1% Decrease 2.96% | 2018 Current Discount Rate 3.96% | 1% Increase 4.96% |
|---|---|---|---|
| OPEB | $31,502,515 | $24,623,407 | $19,152,698 |

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following tables presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate:

| 2020<br>Authority's Proportionate Share of the Net OPEB Liability/(Asset) | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| OPEB | $24,005,540 | $24,735,462 | $25,456,080 |

| 2019<br>Authority's Proportionate Share of the Net OPEB Liability/(Asset) | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| OPEB | $23,668,436 | $24,623,407 | $25,723,277 |

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

# Note 10 - *Pension and Retirement Plans*

## Plan Description

The Authority's employees participate in OPERS, a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a cost-sharing multiple-employer defined benefit pension plan; the Combined Plan, a retirement plan with both a defined benefit and a defined contribution component; and the Member-Directed Plan, a defined contribution plan.

OPERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code (ORC Chapter 145). In 2000, legislation required OPERS to establish one or more defined contribution plans to be offered to members in addition to the existing Traditional Pension Plan. OPERS began offering three retirement plans to its members on January 1, 2003. The plans include the Traditional Pension Plan, the Member-Directed Plan, and the Combined Plan.

In 2011, the employer was required to contribute 14.0% of active member payroll. For full-time employees hired on April 1, 2011 and thereafter, the portion of an employee's contribution is equal to 10.0% to be paid by the employee. For full-time employees hired prior to April 1, 2011, the portion of an employee's contribution is equal to a maximum of 1.0% to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority and a minimum of 9.0% to be paid by the employee as of 12/31/18 and 0.0% to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority and a minimum of 10.0% to be paid by the employee as of 2019 and 2020 . This amendment was accepted by OPERS and acknowledged as in compliance with IRS guidelines.

The portion of the employee's contribution made to PERS-LE equal to a maximum of 2.0% of the Police Officer employee's earned compensation shall be picked up (assumed and paid) on behalf of the Police Officer employee, and in lieu of payment by the Police Officer employee, by the Authority for 2018 and 0.0% for 2019.

## Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for State and Local employer units and 18.1% for the Law Enforcement divisions. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll. The 2020 and 2019 member contribution rate for State and Local members was 10.0% of covered payroll. The 2020 and 2019 member contribution rate for the Law Enforcement division was 13.0% of covered payroll.

The contribution rate for State and Local employers in 2020 and 2019 was 14.0%. The contribution rate for Law Enforcement divisions in 2020 and 2019 was 18.1%. The portion of the employer's contribution used to fund pension benefits is net of postemployment health care benefits. Employer contribution rates are actuarially determined.

The Authority's contractually required contribution to OPERS was $3,618,464 for fiscal year 2020, which is reported as a deferred outflow of resources. The Authority's contractually required contribution to OPERS was $3,819,472 for fiscal year 2019, which is reported as a deferred outflow of resources.

## Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

### Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities.

**At December 31, 2020 the Authority reported the following information related to the proportionate share and pension expense:**

| | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed Plan | Total All Plans |
|---|---|---|---|---|
| Proportionate Share of the Net Pension Liability | 0.171409% | 0.260224% | 0.299946% | |
| Proportion of the Net Liability/ (Asset) | $ 33,880,152 | $ (542,630) | $ (11,338) | $ 33,326,184 |
| Pension Expense | $ 5,539,982 | $ 62,168 | $ (6,680) | $ 5,595,470 |

At December 31, 2019 the Authority reported the following information related to the proportionate share and pension expense:

| | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed Plan | Total All Plans |
|---|---|---|---|---|
| Proportionate Share of the Net Pension Liability | 0.178483% | 0.288009% | 0.359978% | |
| Proportion of the Net Liability/(Asset) | $ 48,882,875 | $ (322,059) | $ (8,202) | $ 48,552,614 |
| Pension Expense | $ 3,434,531 | $ 175,512 | $ 209,429 | $ 3,819,472 |

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Outflows of Resources | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed | Total |
|---|---|---|---|---|
| Difference Between Expected and Actual Experience | $ - | $ - | $ 37,888 | $ 37,888 |
| Net Difference Between Expected and Actual Investment Earnings | - | - | - | - |
| Changes in Assumptions | 1,809,597 | 55,951 | 1,839 | 1,867,387 |
| Change in Proportionate Share | 1,069,159 | 93,752 | 11,158 | 1,174,069 |
| | 2,878,756 | 149,703 | 50,885 | 3,079,344 |
| Authority's Contribution Subsequent to the Measure Date - All Plans | 3,286,960 | 157,904 | 173,600 | 3,618,464 |
| **Total Deferred Outflows of Resources** | **$ 6,165,716** | **$ 307,607** | **$ 224,485** | **$ 6,697,808** |

| Deferred Inflows of Resources | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed | Total |
|---|---|---|---|---|
| Difference Between Expected and Actual Experience | $ 428,366 | $ 127,393 | $ - | $ 555,759 |
| Net Difference Between Expected and Actual Investment Earnings | 6,758,329 | 70,381 | 3,564 | 6,832,274 |
| Changes in Assumptions | - | - | - | - |
| Change in Proportionate Share | 1,575,137 | 1,109 | 1,909 | 1,578,155 |
| **Total Deferred Inflows of Resources** | **$ 8,761,832** | **$ 198,883** | **$ 5,473** | **$ 8,966,188** |

**At December 31, 2019 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:**

| Deferred Outflows of Resources | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed | Total |
|---|---|---|---|---|
| Difference Between Expected and Actual Experience | $ 2,255 | $ - | $ 34,143 | $ 36,398 |
| Net Difference Between Expected and Actual Investment Earnings | 6,634,774 | 69,377 | 2,716 | 6,706,867 |
| Changes in Assumptions | 4,255,374 | 71,930 | 2,541 | 4,329,845 |
| Change in Proportionate Share | 2,005,816 | 69,482 | 3,615 | 2,078,913 |
| | 12,898,219 | 210,789 | 43,015 | 13,152,023 |
| Authority's Contribution Subsequent to the Measure Date - All Plans | 3,434,531 | 175,512 | 209,429 | 3,819,472 |
| **Total Deferred Outflows of Resources** | **$ 16,332,750** | **$ 386,301** | **$ 252,444** | **$ 16,971,495** |

| Deferred Inflows of Resources | OPERS Traditional Pension Plan | OPERS Combined Plan | OPERS Member-Directed | Total |
|---|---|---|---|---|
| Difference Between Expected and Actual Experience | $ 641,860 | $ 131,537 | $ - | $ 773,397 |
| Net Difference Between Expected and Actual Investment Earnings | - | - | - | - |
| Changes in Assumptions | - | - | - | - |
| Change in Proportionate Share | 90,056 | 1,314 | 2,207 | 93,577 |
| **Total Deferred Inflows of Resources** | **$ 731,916** | **$ 132,851** | **$ 2,207** | **$ 866,974** |

Contributions of $3,618,464 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases or (decreases) in pension expense as follows:

**NET DEFERRED (OUTFLOWS)/INFLOWS BY RESOURCES BY YEAR TO BE RECOGNIZED IN FUTURE PENSION EXPENSES**

| Year Ending December 31 | | Traditional Pension Plan | | Combined Plan | | Member Directed |
|---|---|---|---|---|---|---|
| 2021 | $ | (854,506) | $ | (23,405) | $ | 5,329 |
| 2022 | | (2,292,096) | | (22,084) | | 5,399 |
| 2023 | | (52,972) | | (2,459) | | 6,304 |
| 2024 | | (2,683,501) | | (28,226) | | 4,922 |
| 2025 | | - | | 3,822 | | 5,721 |
| Thereafter | | - | | 23,172 | | 17,737 |
| **Total** | **$** | **(5,883,075)** | **$** | **(49,180)** | **$** | **45,412** |

For the year ended December 31, 2020 and 2019, the Authority had $403,819, and $395,036, respectively due to the Plan for contractually required contributions.

## Actuarial Assumptions - OPERS

The total pension liability in the December 31, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

**KEY METHODS AND ASSUMPTIONS USED IN VALUATION OF TOTAL PENSION LIABILITY**

| Actuarial Information | Traditional Pension Plan | Combined Plan | Member Directed Plan |
|---|---|---|---|
| Measurement and Valuation Date | December 31, 2019 | December 31, 2019 | December 31, 2019 |
| Experience Study | 5-Year Period Ended December 31, 2015 | 5-Year Period Ended December 31, 2015 | 5-Year Period Ended December 31, 2015 |
| Actuarial Cost Method | Individual entry age | Individual entry age | Individual entry age |
| Actuarial Assumptions | | | |
| Investment Rate of Return | 7.20% | 7.20% | 7.20% |
| Wage Inflation | 3.25% | 3.25% | 3.25% |
| Projected Salary Increases | 3.25% - 10.75% (includes wage inflation at 3.25%) | 3.25% - 8.25% (includes wage inflation at 3.25%) | 3.25% - 8.25% (includes wage inflation at 3.25%) |
| Cost of Living Adjustments | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 1.4% Simple through 2020, then 2.15% Simple | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 3% Simple through 2020, then 2.15% Simple | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 3% Simple through 2020, then 2.15% Simple |

The total pension liability in the December 31, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

### KEY METHODS AND ASSUMPTIONS USED IN VALUATION OF TOTAL PENSION LIABILITY

| Actuarial Information | Traditional Pension Plan | Combined Plan | Member Directed Plan |
|---|---|---|---|
| Measurement and Valuation Date | December 31, 2018 | December 31, 2018 | December 31, 2018 |
| Experience Study | 5-Year Period<br>Ended December 31, 2015 | 5-Year Period<br>Ended December 31, 2015 | 5-Year Period<br>Ended December 31, 2015 |
| Actuarial Cost Method | Individual entry age | Individual entry age | Individual entry age |
| Actuarial Assumptions | | | |
| Investment Rate of Return | 7.20% | 7.20% | 7.20% |
| Wage Inflation | 3.25% | 3.25% | 3.25% |
| Projected Salary Increases | 3.25% - 10.75%<br>(includes wage inflation at 3.25%) | 3.25% - 8.25%<br>(includes wage inflation at 3.25%) | 3.25% - 8.25%<br>(includes wage inflation at 3.25%) |
| Cost of Living Adjustments | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple | Pre - 1/7/2013 Retirees: 3% Simple<br>Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The actuarial assumptions used in the December 31, 2019 and 2018 valuations were based on the results of an actuarial experience study for the 5-year periods ended December 31, 2015. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The following table displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return.

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 25.00% | 1.83% |
| Domestic Equities | 19.00% | 5.75% |
| Real Estate Private | 10.00% | 5.20% |
| Private Equity | 12.00% | 10.70% |
| International Equities | 21.00% | 7.66% |
| Other Investments | 13.00% | 4.98% |
| **Total** | **100.00%** | **5.61%** |

The following table displays the Board-approved Asset allocation policy for 2018 and the long-term expected real rates of return.

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 23.00% | 2.79% |
| Domestic Equities | 19.00% | 6.21% |
| Real Estate Private | 10.00% | 4.90% |
| Private Equity | 10.00% | 10.81% |
| International Equities | 20.00% | 7.83% |
| Other Investments | 18.00% | 5.50% |
| **Total** | **100.00%** | **5.95%** |

## Discount Rate

The discount rate used to measure the total pension liability was 7.2% for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan as of December 31, 2019 and 2018 respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority's share of the net pension liability or asset calculated using the discount rate of 7.2%, as well as the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower (6.2%) or 1.0% higher (8.2%) than the current rate.

| Authority's Proportionate Share of the Net Pension Liability/(Asset) | 1% Decrease 6.20% | 2020 Current Discount Rate 7.20% | 1% Increase 8.20% |
|---|---|---|---|
| Traditional Pension Plan | $ 55,879,334 | $ 33,880,152 | $ 14,103,533 |
| Combined Plan | (327,882) | (542,630) | (697,400) |
| Member-Directed Plan | (5,999) | (11,338) | (14,997) |

| Authority's Proportionate Share of the Net Pension Liability/(Asset) | 1% Decrease 6.20% | 2019 Current Discount Rate 7.20% | 1% Increase 8.20% |
|---|---|---|---|
| Traditional Pension Plan | $ 72,214,059 | $ 48,882,875 | $ 29,494,316 |
| Combined Plan | (106,563) | (322,059) | (478,095) |
| Member-Directed Plan | (3,600) | (8,202) | (14,399) |

### Additional Financial and Actuarial Information

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position. That report may be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/(asset), required supplementary information on the net pension liability/(asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2017 CAFR. This CAFR is available at https//www.opers.org/financial/reports.shtml or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

## Note 11 - *Capital Contributions*

The Authority received capital contributions by means of federal, state, and local grants as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Federal | $ | 17,294,824 | $ | 11,560,066 |
| State & Local | | 849,192 | | 2,100,000 |
| **Total** | **$** | **18,144,016** | **$** | **13,660,066** |

## Note 12 - *Commitments and Contingencies*

### Capital Improvements

As of December 31, 2020, the Authority was obligated for completion of certain airport improvements under commitments of approximately $39 million. An estimated $17 million is eligible for reimbursement from the FAA and Ohio Development Services Agency. The remaining amount is expected to be funded from bond proceeds, current available resources, PFCs, RCFC's, and future operations.

### Federally Assisted Programs - Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2020, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

## Note 13 - *Property Leased to Others*

The Authority is a lessor of space in CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the Statements of Net Position are held by the Authority for the purpose of rental or related use. The cost and net book value of property held for operating leases as of December 31, 2020 are $482,055,727 and $263,357,066, respectively. The cost and net book value of property held for operating leases as of December 31, 2019 are $454,226,065 and $245,508,661, respectively.

Minimum future rentals on non-cancelable operating leases to be received in each of the next five years and thereafter are as follows:

| | | |
|---|---|---|
| 2021 | $ | 12,412,285 |
| 2022 | | 20,689,257 |
| 2023 | | 19,872,677 |
| 2024 | | 19,036,209 |
| 2025 | | 9,504,058 |
| 2026 - 2030 | | 41,607,936 |
| 2030 - 2035 | | 35,161,689 |
| 2036 - 2040 | | 32,278,481 |
| 2041 - 2045 | | 31,913,900 |
| 2046 - 2050 | | 29,592,551 |
| 2051 - 2055 | | 8,972,240 |
| 2056 - 2060 | | 4,455,545 |
| 2061 - 2065 | | 1,181,932 |
| **Total** | **$** | **266,678,760** |

Certain airline agreements to lease space in the terminal building and terminal apron areas are subject to fluctuating rates.

Contingent operating revenue aggregated approximately $37,000,000, and $38,000,000, respectively, in 2020 and 2019.

# Note 14 - *Related Party Transactions*

### City of Columbus, Ohio

In 2017, The City along with the Northern Pickaway County Joint Economic Development District (JEDD) agreed to contribute $300,000 and $100,000 respectively to support sanitary sewer capital improvements at Rickenbacker airport. The JEDD funds were paid in 2019 and the City of Columbus funds were paid in March of 2020.

In 2019, the Authority entered into a new annexation agreement with the City of Columbus to replace the existing 1996 annexation agreement pertaining to certain property at Rickenbacker International Airport. The new agreement provides for a $15 million investment by the City in the infrastructure serving the Annexation Property and an Authority commitment to annex Annexation Property after development. Certain infrastructure property at Rickenbacker International Airport was disposed of in 2019 in accordance with the agreement.

## Note 15 - *Conduit Debt - Private Sector Entities*

From time to time, the Authority has issued certificates of participation, industrial revenue bonds, revenue bonds and revenue notes to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments on the underlying mortgage loans. Upon repayment of the obligations, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Authority, nor the County, nor any political subdivisions thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, and 2019, there were 8 series of bonds outstanding with aggregate principal balances of $93,338,338 and $103,549,320, respectively. The original issue amounts for these series totaled $528,172,079.

## Note 16 - *Conduit Debt - Flight Safety International, Inc.*

In February 2015, the Board of Directors of the Authority authorized the issuance of $75,000,000 in revenue bonds as Series 2015 for the purpose of financing a portion of the costs of acquiring, constructing, and otherwise improving real and personal property comprising Authority facilities for lease, together with the land and existing improvements thereon to Flight Safety International Inc. (the Company). The obligations of the Company to make rental payments shall be absolute and unconditional general contractual obligations and will survive any termination of the lease until such time that the related bonds have been paid in full.

The Series 2015 Bonds do not represent or constitute a general obligation debt, or bonded indebtedness or a pledge of the faith and general credit or the taxing powers of the Authority or the State of Ohio or any political subdivision thereof, and the Holders have no right to have taxes levied by the General Assembly of the State of Ohio or the taxing authority of any political subdivision of the State of Ohio for the payment of Bond Service Charges and the Tender Price of Series 2015 Bonds. Investors are advised to rely solely upon the Guaranty and the credit of Berkshire Hathaway as security for the payment of the Bond Service Charges and the Tender Price of Series 2015 Bonds. Although Series 2015 conduit debt instruments bear the name of the Authority, the Authority has no obligation for the debt beyond the resources provided by the lease or loan with the Company.

Despite the fact that the Authority retains title to the project assets during and after the lease, and the nature of the lease to the Company, the conditions under GASB 62, for capital lease accounting are not met. The Authority will not record an asset (either capital or capital lease receivable) during the bond repayment period given the conduit nature of the debt. The Authority will record an asset and associated contributed capital representing the fair market value of the asset at the time conduit debt is paid in full.

As of December 31, 2020, and 2019, there were 2015 series of bonds outstanding with aggregate principal balances of $51,175,000 respectively. The original issue amounts for these 2015 series totaled $75,000,000.

## Note 17 – *Reclassifications*

Certain reclassifications related to Unrestricted and Restricted Cash were made to the 2019 Statements of Net Position.

## *Schedule of the Authority's Proportionate Share of the Net Pension Liability*

### For the Years Ended December 31

| Traditional Pension Plan | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Authority's proportion of the net pension liability (asset) | 0.171409% | 0.178483% | 0.169412% | 0.170272% | 0.161166% |
| Authority's proportionate share of the net pension liability (asset) | $ 33,880,152 | $ 48,882,875 | $ 26,577,458 | $ 38,665,876 | $ 27,915,973 |
| Authority's covered payroll | 24,502,773 | 23,965,155 | 24,569,536 | 18,866,692 | 18,472,175 |
| Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 138.27% | 203.97% | 108.17% | 204.94% | 151.12% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 82.17% | 74.70% | 84.66% | 77.25% | 81.19% |
| **Combined Plan** | | | | | |
| Authority's proportion of the net pension liability (asset) | 0.260224% | 0.288009% | 0.356141% | 0.374223% | 0.379940% |
| Authority's proportionate share of the net pension liability (asset) | $ (542,630) | $ (322.059) | $ (484,823) | $ (208,281) | $ (184,887) |
| Authority's covered payroll | 1,193,547 | 1,547,127 | 1,625,993 | 1,248,584 | 1,282,687 |
| Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -45.46% | -20.82% | -29.82% | -16.68% | -14.41% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 145.28% | 126.64% | 137.28% | 116.55% | 116.90% |
| **Member-Directed Plan** | | | | | |
| Authority's proportion of the net pension liability (asset) | 0.299946% | 0.359978% | 0.374346% | 0.414439% | 0.344976% |
| Authority's proportionate share of the net pension liability (asset) | $ (11,338) | $ (8,202) | $ (13,065) | $ (1,726) | $ - |
| Authority's covered payroll | 1,424,199 | 1,674,082 | 2,000,829 | 1,536,413 | 1,751,680 |
| Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -0.80% | -0.49% | -0.65% | -0.11% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 118.84% | 113.42% | 124.46% | 103.40% | 103.91% |

Note: Information for the required 10 year presentation will be displayed as it becomes available.

# Schedule of the Authority's Pension Contributions to the State Pension Fund

## For the Years Ended December 31

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Traditional Pension Plan** | | | | | | | | | | |
| Contractually Required Contribution | $ 3,286,960 | $ 3,434,531 | $ 3,533,193 | $ 3,439,735 | $ 2,641,337 | $ 2,586,103 | $ 2,713,249 | $ 2,761,368 | $ 2,605,823 | $ 2,531,772 |
| Contributions in Relation to the Contractually Required Contribution | $ (3,286,960) | $ (3,434,531) | $ (3,533,193) | $ (3,439,735) | $ (2,641,337) | $ (2,586,103) | $ (2,713,249) | $ (2,761,368) | $ (2,605,823) | $ (2,531,772) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority Covered Payroll | $ 22,908,410 | $ 24,502,773 | $ 23,965,155 | $ 24,569,536 | $ 18,866,692 | $ 18,472,175 | $ 19,380,362 | $ 19,724,066 | $ 18,613,028 | $ 18,084,102 |
| Contributions as a Percentage of Covered Payroll | 14.35% | 14.02% | 14.74% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| **Combined Plan** | | | | | | | | | | |
| Contractually Required Contribution | $ 162,176 | $ 175,512 | $ 228,094 | $ 227,639 | $ 174,802 | $ 179,576 | $ 181,887 | $ 179,158 | $ 142,705 | $ 124,371 |
| Contributions in Relation to the Contractually Required Contribution | $ (162,176) | $ (175,512) | $ (228,094) | $ (227,639) | $ (174,802) | $ (179,576) | $ (181,887) | $ (179,158) | $ (142,705) | $ (124,371) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority Covered Payroll | $ 1,092,239 | $ 1,193,547 | $ 1,547,127 | $ 1,625,993 | $ 1,248,584 | $ 1,282,687 | $ 1,299,195 | $ 1,279,700 | $ 1,019,321 | $ 888,368 |
| Contributions as a Percentage of Covered Payroll | 14.85% | 14,71% | 14.74% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| **Member-Directed Plan** | | | | | | | | | | |
| Contractually Required Contribution | $ 178,297 | $ 209,429 | $ 246,811 | $ 280,116 | $ 215,098 | $ $245,235 | $ 220,622 | $ 212,461 | $ 183,972 | $ 125,219 |
| Contributions in Relation to the Contractually Required Contribution | $ (178,297) | $ (209,429) | $ (246,811) | $ (280,116) | $ (215,098) | $ (245,235) | $ (220,622) | $ (212,461) | $ (183,972) | $ (125,219) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority Covered Payroll | $ 1,200,814 | $ 1,424,199 | $ 1,674,082 | $ 2,000,829 | $ 1,536,413 | $ 1,751,680 | $ 1,575,870 | $ 1,517,580 | $ 1,314,084 | $ 894,420 |
| Contributions as a Percentage of Covered Payroll | 14.85% | 14.71% | 14.74% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

## *Schedule of the Authority's Proportionate Share of the Net OPEB Liability*

### For the Years Ended December 31

| ALL PLANS | 2020 | 2019 | 2018 |
|---|---|---|---|
| Authority's proportion of the net pension liability (asset) | 0.179079% | 0.188864% | 0.184230% |
| Authority's proportionate share of the net pension liability (asset) | $ 24,735,462 | $ 24,623,407 | $ 20,006,021 |
| Authority's covered payroll | $ 27,120,519 | $ 27,186,364 | $ 27,196,357 |
| Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 91.21% | 90.57% | 70.95% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 47.80% | 46.33% | 54.14% |

Note: Information prior to fiscal year 2018 is not available.

## *Schedule of the Authority's OPEB Contributions to the State Pension Fund*

### For the Years Ended December 31

| ALL PLANS | 2020 | 2019 | 2018 |
|---|---|---|---|
| Contractually Required Contribution | $ - | $ - | $ - |
| Contributions in Relation to the Contractually Required Contribution | $ - | $ - | $ - |
| Contribution Deficiency (Excess) | $ - | $ - | $ - |
| Authority Covered Payroll | $ 25,201,463 | $ 27,120,519 | $ 27,186,364 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% |

Note: OPERS allocated 0% of Pension Contributions to OPEB in 2020, 2019 and 2018. Information prior to fiscal year 2018 is not available.

# *Notes to Schedules of Required Supplementary Information*

## December 31, 2020

### Note A – Pension Liability and Contributions

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2020 and 2019, respectively.

Changes in assumptions: The change in the actuarial information as of the measurement and valuation date of December 31, 2019 compared to December 31, 2018 included a decrease in the cost of living adjustments for the post 1/17/2013 retirees for the Traditional Plan from 3% to 1.40%.

Calculation of employer allocations: OPERS Health care funding is discretionary and dependent on both the pension funding and future projections. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0% and 4% for Member-Directed Plan for 2019. The 2020 allocation is expected to be 0.0% for health care funding and expected to continue at that rate thereafter.

### Note B – OPEB Liability and Contributions

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2020 and 2019, respectively.

Changes in assumptions: There were no changes in benefit terms from the amounts reported for the Plan year 2019. The change in the actuarial information as of the measurement and valuation date of December 31, 2019 compared to December 31, 2018 included a decrease in the single discount rate from 3.96 percent to 3.16 percent, decrease in the municipal band rate from 3.71 percent to 2.75 percent, and increase in the health care cost trend rate from 10.0 percent to 10.5 percent for the initial, and from 3.25 percent to 3.50 percent for ultimate in 2030.

# Other *Supplementary Information*

## *Schedule of Revenues and Expenses: Budget vs. Actual-Budget Basis*

### For the Year Ended December 31, 2020

| | Budget (Unaudited) | Actual | Variance to Budget |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Parking Revenue | $ 19,474,655 | $ 17,044,593 | $ (2,430,062) |
| Airline Revenue | 35,687,659 | 29,214,771 | (6,472,888) |
| Concession Revenue | 13,466,105 | 14,547,949 | 1,081,844 |
| Cargo Operations Revenue | 6,283,556 | 8,206,039 | 1,922,483 |
| Hotel Operations Revenue | 2,850,359 | 1,579,391 | (1,270,968) |
| General Aviation Revenue | 3,152,163 | 3,270,994 | 118,831 |
| Foreign Trade Zone Fees | 310,000 | 302,500 | (7,500) |
| Other Revenue | 5,160,906 | 5,634,722 | 473,816 |
| **Total Operating Revenues** | **86,385,403** | **79,800,959** | **(6,584,444)** |
| **OPERATING EXPENSES** | | | |
| Employee Wages & Benefits | 37,212,191 | 41,910,712 | (4,698,521) |
| Purchase of Services | 33,418,370 | 28,586,977 | 4,831,393 |
| Materials & Supplies | 4,727,711 | 4,193,001 | 534,710 |
| Hotel Services | 2,555,950 | 1,400,700 | 1,155,250 |
| Other Expenses | 10,862 | 125,439 | (114,577) |
| **Total Operating Expenses** | **77,925,084** | **76,216,829** | **1,708,255** |
| Operating Income before Depreciation | 8,460,319 | 3,584,130 | (4,876,189) |
| Less: Depreciation | 48,778,440 | 49,283,439 | (504,999) |
| **Operating Loss** | **(40,318,121)** | **(45,699,309)** | **(5,381,188)** |
| **NON-OPERATING REVENUES (EXPENSES)** | | | |
| Investment Income | 1,644,000 | 1,892,119 | 248,119 |
| Investment Income - CFC | 1,200,000 | 1,000,407 | (199,593) |
| Passenger Facility Charges | 9,162,292 | 5,679,151 | (3,483,141) |
| Rental Car Facility Charges | 5,102,491 | 4,716,409 | (386,082) |
| CARES Act Revenue | 21,000,000 | 21,000,000 | - |
| GARB Interest Expense | (1,605,636) | (1,248,299) | 357,337 |
| CFC Backed Revenue Bond Interest Expense | (3,669,540) | (3,669,546) | (6) |
| Gain (Loss) on Securities | - | 935,175 | 935,175 |
| Amortization of Deferred Gain on Bond Refunding | - | 58,282 | 58,282 |
| Bond Issuance Costs | - | - | - |
| Gain (Loss) on Disposal of Assets | - | 360,800 | 360,800 |
| Other Non-Operating Revenues | 430,488 | 371,247 | (59,241) |
| **Total Non-Operating Revenues** | **33,264,095** | **31,095,745** | **(2,168,350)** |
| **Income Before Capital Contributions** | **(7,054,026)** | **(14,603,564)** | **(7,549,538)** |
| **Adjustments To Reconcile GAAP Net Income Before Capital Contributions Budgeted To New Income** | | | |
| Loss on Securities | - | (935,175) | (935,175) |
| Pension & OPEB Adjustments - GASB 68 and 75 | - | 5,570,125 | 5,570,125 |
| **Total Adjustments** | **-** | **4,634,950** | **4,634,950** |
| **Net Income Adjusted to the Budgetary Basis of Accounting** | **$ (7,054,026)** | **$ (9,968,614)** | **$ (2,914,588)** |

# Statistical Section

## (unaudited)

The Statistical Section presents comparative data (when available) and differs from financial statements because they usually cover more than one fiscal year and may present non-accounting data.

**Financial Trends and Revenue Capacity**
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time. Also contained in these schedules is information to help the reader understand the Authority's most significant revenue sources and the Authority's capacity to insure itself against material risk.

**Debt Capacity**
This schedule presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and also the ability of the Authority to issue additional debt in the future.

**Operating Information**
These schedules contain information to help the reader understand and to provide context for the Authority's operations and how this relates to the Authority's financial position.

**Economic and Demographic Information**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

## *Revenues and Expenses by Type*

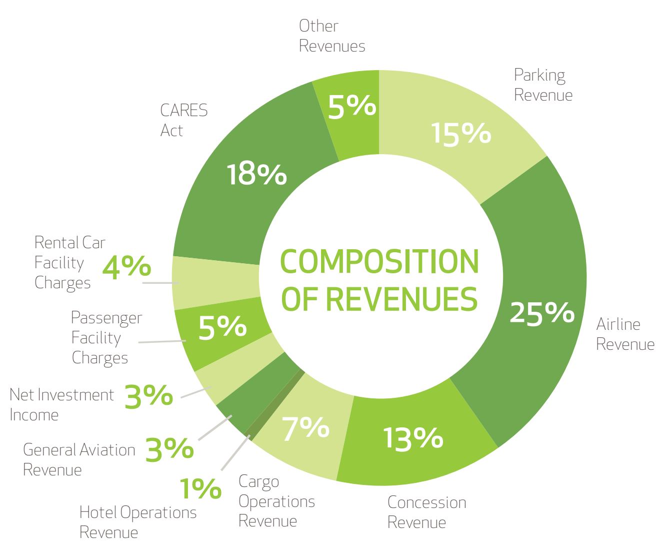
### For the 10 Years Ended December 31, 2020

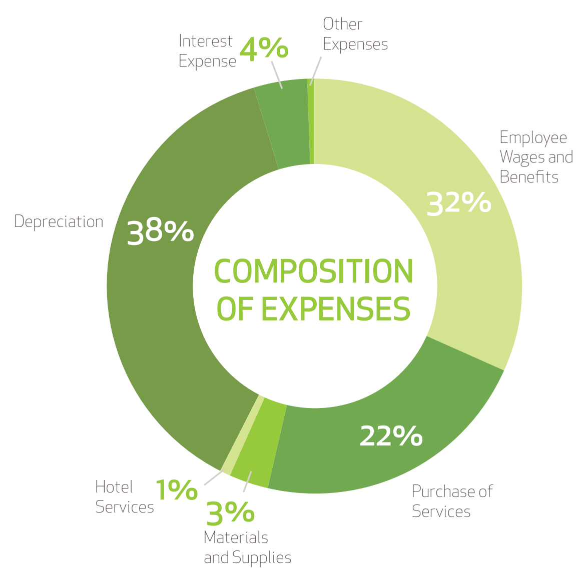
(dollars in thousands)

| | 2020 | | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | | | | | | |
| Parking Revenue | $ 17,045 | 15% | $ 42,944 | $ 38,694 | $ 36,006 | $ 34,821 | $ 32,880 | $ 30,131 | $ 28,888 | $ 27,788 | $ 27,188 |
| Airline Revenue | 29,215 | 25% | 36,297 | 32,676 | 35,125 | 30,215 | 26,608 | 26,869 | 28,241 | 27,222 | 25,085 |
| Concession Revenue | 14,548 | 13% | 26,791 | 23,151 | 21,800 | 21,791 | 20,122 | 18,937 | 18,091 | 18,578 | 18,276 |
| Cargo Operations Revenue | 8,206 | 7% | 7,893 | 7,791 | 6,488 | 5,338 | 5,478 | 4,808 | 4,064 | 2,240 | 1,647 |
| Hotel Operations Revenue | 1,579 | 1% | 4,856 | 4,615 | 4,492 | 4,605 | 4,094 | 1,380 | - | - | - |
| General Aviation Revenue | 3,271 | 3% | 3,919 | 3,631 | 3,524 | 3,276 | 3,205 | 3,031 | 3,429 | 2,522 | 2,602 |
| Foreign Trade Zone Fees | 303 | 0% | 308 | 310 | 320 | 326 | 308 | 363 | 370 | 380 | 382 |
| Net Investment Income | 3,828 | 3% | 6,337 | 2,841 | 1,303 | 1,055 | 912 | 520 | 148 | 649 | 1,099 |
| Passenger Facility Charges | 5,679 | 5% | 17,040 | 16,326 | 14,802 | 14,436 | 13,576 | 12,562 | 12,238 | 12,954 | 13,059 |
| Rental Car Facility Charges | 4,716 | 4% | 10,967 | 10,451 | 10,035 | 9,205 | 7,374 | 6,285 | 6,445 | 6,072 | 5,337 |
| CARES Act | 21,000 | 18% | - | - | - | - | - | - | - | - | - |
| Other Revenues | 6,006 | 5% | 6,820 | 13,135 | 6,762 | 12,008 | 4,988 | 3,246 | 4,654 | 7,249 | 5,527 |
| **Total Revenues** | **115,395** | **100%** | **164,172** | **153,622** | **140,656** | **137,077** | **119,543** | **108,131** | **106,569** | **105,655** | **100,204** |
| **EXPENSES:** | | | | | | | | | | | |
| Employee Wages & Benefits | 41,911 | 32% | 48,137 | 43,310 | 42,287 | 37,606 | 33,005 | 32,854 | 33,267 | 31,671 | 30,679 |
| Purchase of Services | 28,587 | 22% | 37,064 | 36,750 | 35,124 | 31,137 | 27,348 | 26,177 | 26,224 | 25,878 | 28,128 |
| Materials and Supplies | 4,193 | 3% | 5,655 | 5,293 | 3,964 | 4,607 | 4,909 | 5,701 | 5,621 | 3,673 | 3,599 |
| Hotel Services | 1,401 | 1% | 2,669 | 2,576 | 2,487 | 2,437 | 2,149 | 665 | - | - | - |
| Depreciation | 49,283 | 38% | 48,800 | 47,232 | 46,107 | 44,160 | 42,811 | 42,259 | 38,312 | 35,259 | 33,777 |
| Interest Expense | 4,918 | 4% | 3,925 | 1,708 | 1,782 | 3,477 | 2,747 | 2,846 | 3,718 | 3,929 | 4,136 |
| Other Expenses | (294) | 0% | 16,954 | (1) | (33) | 296 | 248 | 297 | 245 | 203 | 247 |
| **Total Expenses** | **129,999** | **100%** | **163,204** | **136,868** | **131,719** | **123,721** | **113,218** | **110,799** | **107,387** | **100,613** | **100,567** |
| **Income Before Capital Contributions, Specials & Extraordinary Items** | **$ (14,604)** | | **$ 968** | **$ 16,755** | **$ 8,937** | **$ 13,356** | **$ 6,325** | **$ (2,668)** | **$ (818)** | **$ 5,042** | **$ (362)** |

Note: 2014 and prior do not conform to the requirements of GASB 68 and 71 and 2017 and prior do not conform to GASB 75

*Source: The Authority's Accounting Department*



## *Revenues and Expenses by Area*

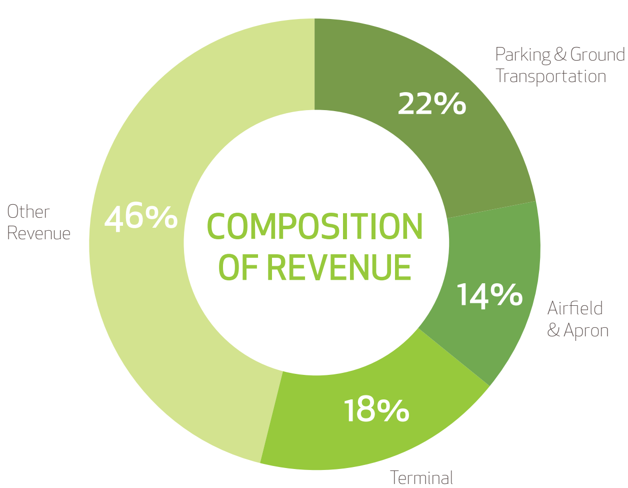
### For the 10 Years Ended December 31, 2020

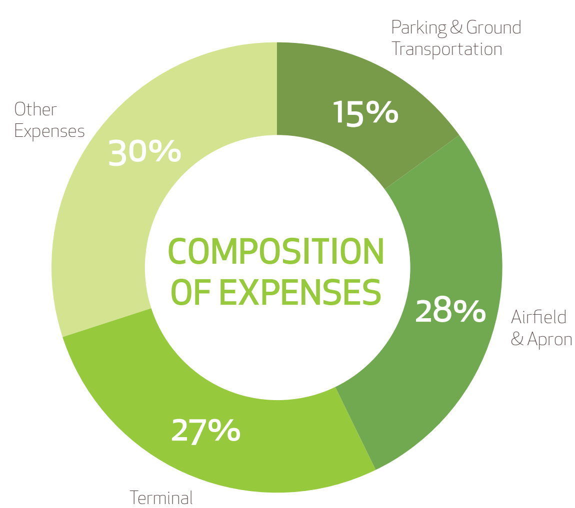
(dollars in thousands)

| | 2020 | | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | | | | | | |
| Parking & Ground Transportation | $ 25,316 | 22% | $ 59,365 | $ 51,475 | $ 47,944 | $ 46,894 | $ 43,926 | $ 40,981 | $ 39,022 | $ 38,144 | $ 37,134 |
| Airfield & Apron | 15,645 | 14% | 22,589 | 26,326 | 25,973 | 20,072 | 21,533 | 20,673 | 22,197 | 19,418 | 16,856 |
| Terminal | 20,730 | 18% | 24,464 | 24,052 | 23,924 | 22,473 | 17,723 | 17,780 | 16,740 | 16,074 | 15,788 |
| Other Revenue | 52,829 | 46% | 56,758 | 45,127 | 41,667 | 40,128 | 36,363 | 28,699 | 28,610 | 32,018 | 30,426 |
| **Total Revenues** | **114,519** | **100%** | **163,176** | **146,980** | **139,508** | **129,567** | **119,545** | **108,133** | **106,569** | **105,654** | **100,204** |
| **EXPENSES:** | | | | | | | | | | | |
| Parking & Ground Transportation | 11,578 | 15% | 16,930 | 16,603 | 14,560 | 10,967 | 10,691 | 12,955 | 13,856 | 14,939 | 13,333 |
| Airfield & Apron | 22,038 | 28% | 23,855 | 23,862 | 21,959 | 20,658 | 21,328 | 22,920 | 20,890 | 18,950 | 18,151 |
| Terminal | 21,942 | 27% | 23,871 | 24,864 | 24,970 | 22,266 | 20,910 | 21,000 | 17,598 | 18,839 | 19,053 |
| Other Expenses | 24,281 | 30% | 48,752 | 17,665 | 22,976 | 18,160 | 17,480 | 11,666 | 16,731 | 12,625 | 16,252 |
| **Expenses Before Depreciation:** | **79,839** | **100%** | **113,408** | **82,994** | **84,464** | **72,051** | **70,409** | **68,541** | **69,075** | **65,353** | **66,789** |
| Depreciation | 49,283 | | 48,800 | 47,232 | 46,107 | 44,160 | 42,811 | 42,259 | 38,312 | 35,259 | 33,777 |
| **Total Expenses** | **129,122** | | **162,208** | **130,225** | **130,571** | **116,211** | **113,220** | **110,800** | **107,387** | **100,612** | **100,566** |
| **Income Before Capital Contributions, Special & Extraordinary Items** | **$ (14,604)** | | **$ 968** | **$ 16,755** | **$ 8,937** | **$ 13,356** | **$ 6,325** | **$ (2,667)** | **$ (818)** | **$ 5,042** | **$ (362)** |

Note: 2014 and prior do not conform to the requirements of GASB 68 and 71 and 2017 and prior do not conform to GASB 75

*Source: The Authority's Accounting Department*



# *Total Annual Revenues, Expenses, and Changes in Net Position*

## For the 10 Years Ended December 31, 2020

(dollars in thousands)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Parking Revenue | $ 17,045 | $ 42,944 | $ 38,694 | $ 36,006 | $ 34,821 | $ 32,880 | $ 30,131 | $ 28,888 | $ 27,788 | $ 27,188 |
| Airline Revenue | 29,215 | 36,297 | 32,676 | 35,125 | 30,215 | 26,608 | 26,869 | 28,241 | 27,222 | 25,085 |
| Concession Revenue | 14,548 | 26,791 | 23,151 | 21,800 | 21,791 | 20,122 | 18,937 | 18,091 | 18,578 | 18,276 |
| Other Revenue | 18,994 | 23,234 | 22,216 | 19,645 | 17,391 | 16,269 | 12,256 | 9,732 | 7,360 | 6,900 |
| **Total Operating Revenues** | **79,801** | **129,266** | **116,738** | **112,575** | **104,218** | **95,879** | **88,193** | **84,952** | **80,949** | **77,450** |
| **OPERATING EXPENSES** | | | | | | | | | | |
| Employee Wages & Benefits | 41,911 | 48,137 | 43,310 | 42,287 | 37,606 | 33,005 | 32,854 | 33,267 | 31,672 | 30,680 |
| Purchase of Services | 28,587 | 37,064 | 36,750 | 35,124 | 31,137 | 27,348 | 26,177 | 26,224 | 25,878 | 28,128 |
| Materials & Supplies | 4,193 | 5,655 | 5,293 | 3,964 | 4,607 | 4,909 | 5,701 | 5,621 | 3,673 | 3,599 |
| Hotel Services | 1,401 | 2,669 | 2,576 | 2,487 | 2,437 | 2,149 | 665 | - | - | - |
| Other Expenses | 125 | 82 | 57 | 25 | 138 | 63 | 121 | 60 | 17 | 61 |
| **Total Operating Expenses** | **76,217** | **93,607** | **87,986** | **83,889** | **75,926** | **67,475** | **65,517** | **65,172** | **61,239** | **62,468** |
| **Operating Income Before Depreciation** | **3,584** | **35,658** | **28,751** | **28,686** | **28,293** | **28,404** | **22,675** | **19,781** | **19,709** | **14,981** |
| Less: Depreciation | 49,283 | 48,800 | 47,232 | 46,107 | 44,160 | 42,811 | 42,259 | 38,312 | 35,259 | 33,777 |
| **Operating Income (Loss)** | **(45,699)** | **(13,142)** | **(18,480)** | **(17,420)** | **(15,867)** | **(14,407)** | **(19,583)** | **(18,532)** | **(15,549)** | **(18,796)** |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | | | | | | |
| Investment Income | 1,892 | 3,839 | 1,868 | 986 | 662 | 475 | 334 | 319 | 447 | 804 |
| Investment Income - CFC | 1,000 | 1,444 | 1,069 | 548 | 563 | 502 | 233 | 24 | 185 | 277 |
| Passenger Facility Charges | 5,679 | 17,040 | 16,326 | 14,802 | 14,436 | 13,576 | 12,562 | 12,238 | 12,954 | 13,059 |
| Rental Car Facility Charges | 4,716 | 10,967 | 10,451 | 10,035 | 9,205 | 7,374 | 6,285 | 6,445 | 6,072 | 5,337 |
| CARES Act Revenue | 21,000 | – | – | - | - | - | - | - | - | - |
| Interest Expense | (1,248) | (1,491) | (1,708) | (1,782) | (3,477) | (2,747) | (2,846) | (3,718) | (3,929) | (4,136) |
| CFC Backed Interest Expense | (3,670) | (2,433) | - | - | - | - | - | - | - | - |
| Gain (Loss) on Securities | 935 | 1,054 | (96) | (232) | (170) | (65) | (48) | (195) | 17 | 18 |
| Amortization of Deferred Loss on Bond Refunding | 58 | 58 | 58 | 58 | (158) | (185) | (177) | (185) | (185) | (185) |
| Bond Issuance Cost | - | (814) | - | - | - | - | - | - | - | - |
| Gain (Loss) on Disposal of Assets | 361 | (16,116) | 7,111 | 1,303 | 7,768 | 1,273 | (100) | 73 | 2,265 | (2,095) |
| Other Non-Operating Revenues | 371 | 562 | 155 | 639 | 395 | 531 | 672 | 2,712 | 2,766 | 5,354 |
| **Total Non-Operating Revenues** | **31,096** | **14,110** | **35,235** | **26,357** | **29,223** | **20,732** | **16,916** | **17,714** | **20,592** | **18,434** |
| Income Before Capital Contributions, Special & Extraordinary Items | (14,604) | 968 | 16,755 | 8,937 | 13,356 | 6,325 | (2,668) | (818) | 5,042 | (362) |
| Capital Contributions | 18,144 | 13,660 | 8,435 | 11,335 | 19,006 | 2,089 | 15,652 | 14,200 | 45,770 | 34,276 |
| **Increase In Net Position** | **3,540** | **14,628** | **25,189** | **20,272** | **32,362** | **8,414** | **12,984** | **13,382** | **50,812** | **33,914** |
| Net Position - Beginning of Year | 825,095 | 810,467 | 803,886 | 783,613 | 751,251 | 758,949 | 745,964 | 732,582 | 681,770 | 647,856 |
| Restatement for GASB 68, 71, & 75 | - | - | (18,608) | - | - | (16,111) | - | - | - | - |
| **Total Net Position - End of Year** | **$828,636** | **$825,095** | **$810,467** | **$803,886** | **$783,613** | **$751,251** | **$758,949** | **$745,964** | **$732,582** | **$681,770** |

Note: 2014 and prior do not conform to the requirements of GASB 68 and 71 and 2017 and prior do not conform to GASB 75

*Source: The Authority's Accounting Department*

## *Statements of Net Position*

### For the 10 Years Ended December 31, 2020

(dollars in thousands)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | |
| Current Assets - Unrestricted | $ 134,064 | $ 81,256 | $ 73,726 | $ 71,541 | $ 62,862 | $ 63,739 | $ 69,202 | $ 43,988 | $ 49,528 | $ 56,486 |
| Non-Current Assets | | | | | | | | | | |
| Non-Current Assets - Unrestricted | 881,440 | 819,325 | 792,401 | 792,554 | 824,373 | 800,274 | 777,004 | 742,633 | 691,267 | 673,480 |
| Non-Current Assets - Restricted | 83,648 | 187,961 | 104,162 | 83,747 | 22,587 | 22,790 | 26,714 | 28,352 | 47,718 | 39,036 |
| **Total Non-Current Assets** | **965,088** | **1,007,285** | **896,564** | **876,302** | **846,959** | **823,064** | **803,719** | **770,985** | **738,985** | **712,516** |
| **Total Assets** | **1,099,152** | **1,088,542** | **970,290** | **947,843** | **909,821** | **886,802** | **872,921** | **814,973** | **788,513** | **769,002** |
| Deferred Outflows of Resources | 10,951 | 18,903 | 9,187 | 16,904 | 1,286 | 1,462 | 1,648 | 1,833 | 2,018 | 2,204 |
| **Total Assets & Deferred Outflows of Resources** | **1,110,103** | **1,107,444** | **979,477** | **964,746** | **911,107** | **888,265** | **874,569** | **816,806** | **790,531** | **771,205** |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities - Unrestricted | 26,502 | 29,189 | 28,687 | 26,994 | 18,864 | 23,137 | 19,872 | 21,137 | 27,552 | 14,803 |
| Long-Term Liabilities | | | | | | | | | | |
| Payable from Restricted Assets - Due within 1 Year | 46,850 | 30,764 | 21,144 | 20,151 | 51,952 | 32,138 | 25,927 | 13,068 | 9,848 | 26,334 |
| Payable from Restricted Assets - Due more than 1 Year | 194,274 | 221,229 | 110,850 | 113,037 | 81,343 | 87,025 | 96,188 | 100,831 | 105,275 | 113,417 |
| **Total Long-Term Liabilities** | **241,124** | **251,993** | **131,993** | **133,189** | **133,295** | **119,163** | **122,114** | **113,899** | **115,123** | **139,751** |
| **Total Liabilities** | **267,626** | **281,182** | **160,680** | **160,183** | **152,158** | **142,301** | **141,987** | **135,036** | **142,675** | **154,554** |
| **Deferred Inflow of Resources** | 13,842 | 1,167 | 8,329 | 678 | - | - | - | - | - | - |
| **NET POSITION** | | | | | | | | | | |
| Net Investment in Capital Assets | 667,943 | 675,611 | 679,579 | 667,630 | 632,328 | 636,187 | 616,650 | 593,782 | 533,246 | 505,509 |
| Restricted: | | | | | | | | | | |
| Passenger Facility Charges | - | 44,132 | 30,185 | 15,593 | - | - | - | - | 23,387 | 14,559 |
| Customer Facility Charges (Rental Cars) | 54,285 | 48,777 | 59,060 | 53,968 | - | - | - | - | - | - |
| Bond Reserves | 22,167 | 21,992 | 13,584 | 13,502 | 20,901 | 20,639 | 25,030 | 24,336 | 23,355 | 23,438 |
| Asset Forfeiture | 694 | 542 | - | - | - | - | - | - | - | - |
| **Total Net Position - Restricted** | **77,146** | **115,443** | **102,830** | **83,063** | **20,901** | **20,639** | **25,030** | **24,336** | **46,742** | **37,997** |
| Net Position - Unrestricted | 83,547 | 34,042 | 28,059 | 53,193 | 105,719 | 89,138 | 90,902 | 63,652 | 67,868 | 73,145 |
| **TOTAL NET POSITION** | **828,636** | **825,095** | **810,467** | **803,886** | **758,949** | **745,964** | **732,582** | **681,770** | **647,856** | **616,651** |
| **Total Liabilities & Net Position** | **$1,110,103** | **$1,107,444** | **$979,477** | **$964,746** | **$911,107** | **$888,265** | **$874,569** | **$816,806** | **$790,531** | **$771,205** |

*Source: The Authority's Accounting Department*

# *Schedule of Insurance in Force*

## As of January 1, 2021

| Type of Coverage | Insurer | Policy Limit | | Expiration Date |
|---|---|---|---|---|
| **AIRPORT PROPERTY INSURANCE** | | | | |
| Building & Contents Including Mobile Equipment | XL Insurance America, Inc. (AXA) | $ | 500,000,000 * | 11/01/21 |
| Builders Risk Insurance - Consolidated Rental Car Facility | Allianz Global Risk US Insurance Company | $ | 124,151,104 ** | 06/30/21 |
| **LIABILITY INSURANCE** | | | | |
| Aviation Liability Primary | ACE Property & Casualty Insurance Co. | $ | 100,000,000 | 11/01/21 |
| Aviation Liability Excess | Westchester Specialty Ins Serv | $ | 650,000,000 | 11/01/21 |
| Business Auto | Hudson Insurance Company | $ | 1,000,000 | 11/01/21 |
| Pollution Liability (LCK, CMH, TZR) (*includes storage tank pollution)* | Illinois Union Insurance Company | $ | 13,000,000 | 01/01/22 |
| Public Officials & Employment Practices Liability | ACE American Insurance Company | $ | 10,000,000 | 11/01/21 |
| Police Professional | QBE Specialty Insurance Company | $ | 10,000,000 | 11/01/21 |
| Crime | National Union Fire Insurance Company of PA | $ | 1,000,000 | 11/01/21 |
| Fiduciary Liability | Federal Insurance Company | $ | 1,000,000 | 11/01/21 |
| Special Crime | Federal Insurance Company | $ | 5,000,000 | 11/01/21 |
| Active Shooter/Malicious Attack | Underwriters at Lloyds, London (Hiscox) | $ | 1,000,000 | 11/01/21 |
| International Commercial Insurance | Vigilant Insurance Company (Chubb) | $ | 1,000,000 | 11/01/21 |
| Hotel Liability Primary | State Auto Mutual Insurance Company | $ | 1,000,000 | 11/01/21 |
| Hotel Liability Excess | State Auto Mutual Insurance Company | $ | 14,000,000 | 11/01/21 |
| Cyber Liability | Syndicate at Lloyd's | $ | 5,000,000 | 11/01/21 |
| **SURETY** | | | | |
| Surety Bonds | Western Surety Company & Liberty Mutual Insurance Group | $ | 250,000 | 06/23/21 |
| **WORKERS' COMPENSATION & EMPLOYERS' LIABILITY INSURANCE** | | | | |
| Excess Workers' Compensation & Employers' Liability | Arch Insurance Company | | Statutory | 11/01/21 |
| Underlying Self Insured $1,000,000 | | | | |
| Underlying Self Insured $700,000 | | | | |
| **EMPLOYEE BENEFITS (HEALTH, LIFE, DENTAL)** | | | | |
| Individual Stop Loss | Sun Life Financial | | Unlimited | 04/30/21 |
| Aggregate Stop Loss | Sun Life Financial | $ | 1,000,000 | 04/30/21 |

**Limit noted is per occurrence limit. Replacement values insured: $913,919,690.*

***Values insured fluctuate as building project progresses.*

*Source: The Authority's Administration Department*

## *Ratios of Outstanding Debt*

### For the 10 Years Ended December 31, 2020

(in thousands except outstanding debt per enplaned passenger)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| OUTSTANDING DEBT BY TYPE: | | | | | | | | | | |
| Revolving Bank Loan | $ 31,372 | $ 17,395 | $ 9,659 | $ 9,500 | $ 9,500 | $ 2,000 | $ 45,000 | $ 25,000 | $ 20,000 | $ 25,000 |
| Commercial Paper Notes | - | - | - | - | - | - | - | - | - | - |
| General Airport Revenue Bond | 50,522 | 60,864 | 71,017 | 80,983 | 90,361 | 108,727 | 74,226 | 79,384 | 88,071 | 92,354 |
| Ohio Public Works Commission | - | - | - | - | - | - | - | 74 | 149 | 223 |
| CFC Revenue Bond | 94,325 | 94,325 | - | - | - | - | - | - | - | - |
| **Total Outstanding Debt** | **$176,220** | **$ 172,584** | **$ 80,675** | **$ 90,483** | **$ 99,861** | **$ 110,727** | **$ 119,226** | **$ 104,458** | **$ 108,220** | **$ 117,577** |
| Enplaned Passengers | 1,628 | 4,315 | 4,076 | 3,785 | 3,659 | 3,393 | 3,173 | 3,115 | 3,175 | 3,190 |
| **Outstanding Debt Per Enplaned Passenger** | **$ 108.23** | **$ 40.00** | **$ 19.79** | **$ 23.91** | **$ 27.29** | **$ 32.63** | **$ 37.57** | **$ 33.53** | **$ 34.09** | **$ 36.86** |

*Source: The Authority's Accounting Department*

## *Ratios of General Airport Revenue Debt and Obligation Coverages*

### For the 10 Years Ended December 31, 2020

(dollars in thousands, except coverage)

| | | | | Debt Obligation Requirements | | | |
|---|---|---|---|---|---|---|---|
| Year | Gross Revenue (1) | Operating Expense (2) | Net Revenue Available for Debt & Obligation Payments | Principal | Interest | Total | Coverage |
| 2020 | $104,360 | ($76,217) | $28,143 | $10,342 | $1,248 | $11,590 | 2.43 |
| 2019 | $118,605 | ($93,607) | $24,998 | $10,152 | $1,491 | $11,644 | 2.15 |
| 2018 | $125,776 | ($87,986) | $37,789 | $9,966 | $1,708 | $11,674 | 3.24 |
| 2017 | $115,272 | ($83,889) | $31,383 | $9,378 | $1,782 | $11,160 | 2.81 |
| 2016 | $112,873 | ($75,926) | $36,947 | $7,852 | $3,477 | $11,329 | 3.26 |
| 2015 | $98,092 | ($67,475) | $30,617 | $5,266 | $2,747 | $8,013 | 3.82 |
| 2014 | $89,050 | ($65,517) | $23,533 | $4,987 | $2,846 | $7,833 | 3.00 |
| 2013 | $87,861 | ($65,172) | $22,689 | $4,242 | $3,718 | $7,960 | 2.85 |
| 2012 | $86,443 | ($61,239) | $25,204 | $4,052 | $3,929 | $7,982 | 3.16 |
| 2011 | $81,530 | ($62,468) | $19,062 | $3,872 | $4,136 | $8,008 | 2.38 |

*Source: The Authority's Accounting Department*

(1) Gross revenue includes Operating Revenue, Investment Income, Other Non-Operating Revenues, Gain (Loss) on Securities, Gain (Loss) on Disposal of Assets and Special & Extraordinary Items.

(2) Direct Operating Expense excludes Depreciation.

## *Schedule of Customer Facility Charge Transactions & Collections*

### For the 10 Years Ended December 31, 2020

(dollars in thousands, except coverage)

| Year | Transactions | Transaction Days | | CFCs Collected |
|---|---|---|---|---|
| 2020 | 216,816 | 833,252 | $ | 4,716,409 |
| 2019 | 540,910 | 1,780,106 | $ | 10,966,768 |
| 2018 | 522,894 | 1,694,319 | $ | 10,444,759 |
| 2017 | 508,647 | 1,610,476 | $ | 10,034,519 |
| 2016 | 535,403 | 1,674,560 | $ | 9,204,524 |
| 2015 | 530,864 | 1,557,016 | $ | 7,373,512 |
| 2014 | 493,842 | 1,399,421 | $ | 6,285,421 |
| 2013 | 492,522 | 1,439,416 | $ | 6,445,487 |
| 2012 | 480,513 | 1,351,060 | $ | 6,072,282 |
| 2011 | 461,280 | 1,277,272 | $ | 5,337,245 |

*Source: The Authority's Accounting Department*

## *Ratios of Customer Facility Charge Debt and Obligation Coverages*

### For the Years Ended December 31

| | 2020[2] | 2019 [3] |
|---|---|---|
| PLEDGED REVENUES | | |
| CFC Revenues | $ 4,716,409 | $ 7,311,179 |
| Interest Earned on Deposits | 1,00,407 | 962,787 |
| Concessionaire Deficiency Payment | - | - |
| **Total Pledged Revenues** | **$ 5,716,816** | **$ 8,273,966** |
| | | |
| DEPOSITS TO: | | |
| CFC Debt Service Fund | 3,669,546 | 2,877,474 |
| CFC Debt Service Reserve Fund | - | - |
| CFC Debt Service Coverage Fund | - | - |
| CFC Administrative Costs Fund | - | - |
| CFC Renewal & Replacement Fund | - | - |
| **Total Required Deposits** | **$ 3,669,546** | **$ 2,877,474** |
| | | |
| RATE COVENANT | | |
| CFC Revenues must be the greater of at least: | | |
| (i) 100% (1.00) of Deposits to Funds | 1.56 | 2.88 |
| (ii) 125% (1.25) of Debt Service | 1.56 | 2.88 |
| | | |
| INCLUDING DEBT SERVICE COVERAGE[1] | | |
| Pledged Revenues | $ 5,716,816 | $ 8,273,966 |
| Add: Debt Service Coverage Fund | 1,455,000 | 1,435,000 |
| **Total Available for Debt Service** | **$ 7,171,816** | **$ 9,708,966** |
| Debt Service | 3,669,546 | 2,877,474 |
| Ratio with Debt Service Coverage Fund | 1.95 | 3.37 |

*Source: The Authority's Accounting Department*

[1] The Rate Covenant calculation presentation in the middle of the table is pursuant to the Rate Covenant definition in the CFC Master Trust Agreement. The debt service coverage calculation including the balance in the Debt Service Coverage Fund (presented at the bottom of the table) is not part of the Rate Covenant. It is included in this table to demonstrate the coverage if all available funds are considered.

[2] 2019 presentation is for partial year pledge of CFC revenue since bond issuance was on 5/2/2019. Future year presentation will be full year CFC revenue pledge.

[3] N/A = not applicable, since Bonds issued 5/2/2019.

# Capital Asset Statistics By Function

## For Year Ended December 31, 2020

Airport Codes:

CMH John Glenn Columbus International Airport | LCK Rickenbacker International Airport | TZR Bolton Field Airport

| | CMH | LCK | TZR |
|---|---|---|---|
| Location | 6 miles East of downtown Columbus | 10 miles South of downtown Columbus | 8 miles Southwest of downtown Columbus |
| Elevation: | 815 ft | 744 ft | 904 ft |
| International: | Yes: FIS facility | Yes: FIS facility | No |
| Tower: | 24/7 daily + TRACON | 24/7 daily | 0730-1930 daily |
| FBO: | Lane Aviation, Signature | Rickenbacker Aviation | Bolton Aviation |
| Acres (+/-): | 2,271 | 4,298 | 1,307 |
| Runways: | 10L-28R: ILS, GPS 8,000 x 150 ft | 5L-23R: ILS, GPS 11,902 x 150 ft | 4-22: ILS, GPS 5,500 x 100 ft |
| | 10R-28L: ILS, GPS 10,113 x 150 ft | 5R-23L: ILS, GPS 12,102 x 200 ft | |
| **TERMINAL:** | | | |
| Airlines - sq ft | 252,158 | - | - |
| Tenants - sq ft | 74,600 | 706 | 307 |
| Public/Common - sq ft | 242,573 | 14,872 | 2,015 |
| Mechanical - sq ft | 98,483 | 1,054 | 1,290 |
| Other-sq ft | 231,671 | 25,819 | 3,078 |
| **Total - sq ft** | **899,485** | **42,451** | **6,690** |
| Number of passenger gates | 33 | 2 | - |
| Number of loading bridges | 31 | 2 | - |
| Number of Concessionaires in Terminal | 48 | 1 | 1 |
| Number of Rental Car Agencies | 8 | - | - |
| **APRON:** | | | |
| Commercial Airlines - sq ft | 1,394,395 | - | - |
| Cargo Airlines - sq ft | - | 3,210,300 | - |
| FBO - sq ft | 487,900 | 474,100 | 39,600 |
| **Total** | **1,882,295** | **3,684,400** | **39,600** |
| **PARKING:** | | | |
| Spaces Assigned: | | | |
| Garage: | | Main Lot 350 | - |
| Rental cars | 1,144 | Overflow Lot 237 | - |
| Short-term | 274 | Lot 3 350 | - |
| Long-term | 2,975 | - | - |
| Walking Lot | 294 | - | - |
| Shuttle/Remote Lots: | | | |
| Blue Lot | | | |
| Covered | 235 | - | - |
| Uncovered | 3,127 | - | - |
| Red Lot | 2,686 | - | - |
| Green Lot | 2,130 | - | - |
| Employee Lot | 1,957 | - | - |
| **Total** | **14,822** | **937** | - |
| **CARGO:** | | | |
| Air Cargo Building - sq ft | 60,000 | 321,235 | - |
| **Total** | **60,000** | **321,235** | **-** |

*Source: The Authority's Accounting Department*

## *Air Commerce Trends — John Glenn Columbus International Airport*

### For the 10 Years Ended December 31, 2020

| Year | Total Passenger Volume | % Change | Cargo[1] | Freight[2] (in pounds) | Mail |
|---|---|---|---|---|---|
| 2020 | 3,269,127 | (62.2) | 80,622 | 4,768,040 | 1,643,353 |
| 2019 | 8,637,108 | 6.1 | 127,082 | 6,309,020 | 3,646,648 |
| 2018 | 8,141,656 | 7.5 | 316,735 | 6,520,856 | 2,801,232 |
| 2017 | 7,576,592 | 3.4 | 282,117 | 7,844,389 | 3,043,960 |
| 2016 | 7,324,180 | 7.8 | 150,020 | 7,395,351 | 2,601,198 |
| 2015 | 6,796,393 | 6.9 | 254,184 | 7,471,160 | 3,658,735 |
| 2014 | 6,356,026 | 2.1 | 232,582 | 8,056,811 | 2,620,976 |
| 2013 | 6,224,348 | (2.0) | 377,118 | 7,596,259 | 2,876,666 |
| 2012 | 6,350,446 | (0.4) | 213,757 | 7,735,935 | 2,656,239 |
| 2011 | 6,378,722 | 0.2 | 66,236 | 7,093,122 | 2,256,616 |

*Source: The Authority's Business Development Department*

1) Freight carried by cargo carriers
2) Freight carried in the belly of an air carrier

## *Air Commerce Trends — Rickenbacker International Airport*

### For the 10 Years Ended December 31, 2020

| Year | Total Passenger Volume | % Change | Cargo (in pounds) | % Change |
|---|---|---|---|---|
| 2020 | 207,160 | (32.9) | 264,547,612 | (7.7) |
| 2019 | 308,780 | 0.5 | 286,723,956 | (4.7) |
| 2018 | 307,247 | 15.2 | 300,966,560 | 17.6 |
| 2017 | 266,624 | 31.2 | 255,961,923 | 26.6 |
| 2016 | 203,269 | 22.3 | 202,159,519 | 1.8 |
| 2015 | 166,251 | 81.6 | 198,596,025 | 15.9 |
| 2014 | 91,572 | 175.2 | 171,422,618 | 11.6 |
| 2013 | 33,269 | 129.9 | 153,670,161 | (2.4) |
| 2012 | 14,469 | (2.8) | 157,373,134 | 7.7 |
| 2011 | 14,880 | 40.5 | 146,164,909 | (5.0) |

*Source: The Authority's Business Development Department*

## Airline Cost Per Enplaned Passenger — John Glenn Columbus International Airport

### For the 10 Years Ended December 31, 2020

(in thousands except airline cost per enplaned passenger)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Airline Cost for the Airfield Area | $14,602 | $19,099 | $17,516 | $15,813 | $16,585 | $16,278 | $16,400 | $16,404 | $16,458 | $16,403 |
| Airline Cost for the Terminal Building | 14,917 | 17,258 | 17,803 | 16,610 | 15,044 | 13,513 | 12,735 | 11,977 | 12,014 | 11,007 |
| Airline Cost for the Aircraft Parking Area | 3,828 | 4,170 | 4,428 | 4,072 | 3,996 | 3,894 | 3,880 | 3,732 | 3,404 | 2,913 |
| General Airline Credit | (6,445) | (5,485) | (5,722) | (5,884) | (5,638) | (4,804) | (7,377) | (4,461) | (4,431) | (5,853) |
| Supplemental Airline Credit | - | (1,750) | (1,750) | (1,000) | (3,750) | (3,250) | - | - | - | - |
| **Total Airline Cost** | **$26,902** | **$33,292** | **$32,275** | **$29,611** | **$26,237** | **$25,631** | **$25,638** | **$27,652** | **$27,445** | **$24,470** |
| Enplanements | 1,628 | 4,315 | 4,076 | 3,785 | 3,659 | 3,393 | 3,173 | 3,115 | 3,175 | 3,190 |
| **Airline Cost per Enplaned Passenger** | **$16.52** | **$7.72** | **$7.92** | **$7.82** | **$7.17** | **$7.55** | **$8.08** | **$8.88** | **$8.64** | **$7.67** |

*Source: The Authority's Accounting Department*

*NOTE: The Authority negotiated a five year agreement effective January 1, 2020 and December 31, 2024. The rates and charges are calculated pursuant to formulas set forth in the agreement.*

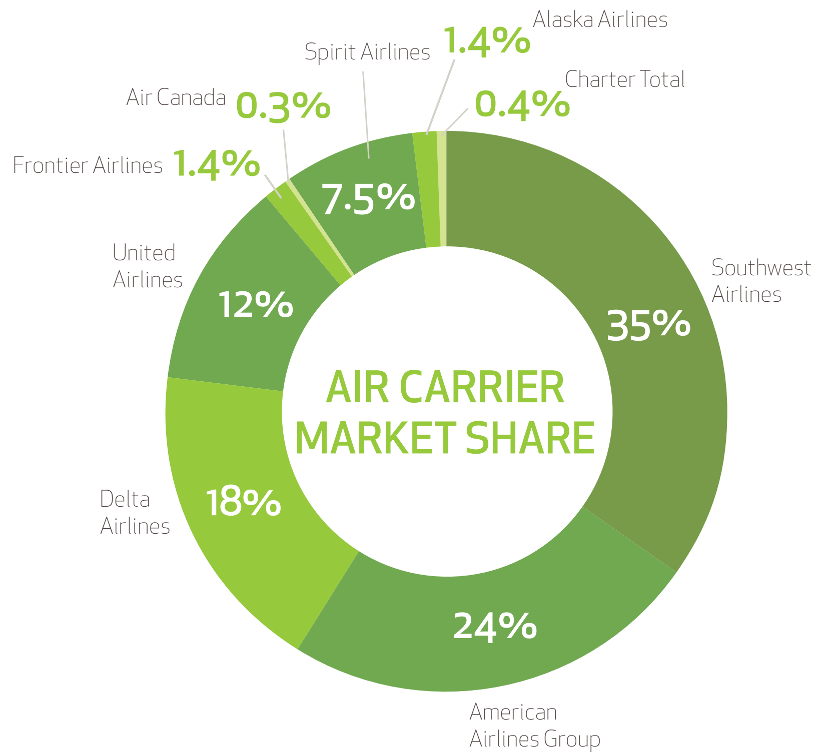
## *Air Carrier Market Shares — John Glenn Columbus International Airport*

### For the 10 Years Ended December 31, 2020

| | Market Share Percentage 2020 | Total Airline Passengers 2020 | TOTAL AIRLINE PASSENGERS 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Southwest Airlines | 35.4% | 1,155,670 | 2,851,702 | 2,890,907 | 2,752,826 | 2,645,139 | 2,377,201 | 2,033,400 | 1,651,723 | 1,783,944 | 1,796,696 |
| AirTran Airways [1] | - | - | - | - | - | - | - | 77,415 | 423,509 | 381,670 | 380,337 |
| 2 American Airlines Group | 23.5% | 769,026 | 2,053,530 | 1,872,685 | 1,844,684 | 1,859,983 | 1,853,766 | - | - | - | - |
| American Airlines [2] | - | - | - | - | - | - | - | 936,617 | 815,779 | 824,959 | 787,556 |
| US Airways [2] | - | - | - | - | - | - | - | 935,069 | 944,344 | 905,789 | 946,018 |
| 3 Delta Air Lines | 18.0% | 589,301 | 1,851,913 | 1,744,491 | 1,632,707 | 1,606,157 | 1,557,554 | 1,470,983 | 1,425,673 | 1,482,740 | 1,452,169 |
| 4 United Airlines | 12.0% | 391,700 | 1,127,247 | 1,003,910 | 947,266 | 960,786 | 917,109 | 835,235 | 886,253 | 904,514 | 543,080 |
| Continental [3] | - | - | - | - | - | - | - | - | - | - | 340,083 |
| 5 Frontier Airlines | 1.4% | 46,425 | 113,259 | 162,034 | 288,602 | 150,504 | - | 472 | 19,113 | 14,516 | 80,860 |
| 6 Air Canada | 0.3% | 9,500 | 73,230 | 73,466 | 68,992 | 65,461 | 52,704 | 43,632 | 39,435 | 33,805 | 35,607 |
| 7 Spirit Airlines | 7.6% | 247,693 | 450,710 | 352,647 | - | - | - | - | - | - | - |
| 8 Alaska Airlines | 1.4% | 47,143 | 74,366 | - | - | - | - | - | - | - | - |
| **Commercial Total** | **99.6%** | **3,256,458** | **8,595,957** | **8,100,140** | **7,535,077** | **7,288,030** | **6,758,334** | **6,332,823** | **6,205,829** | **6,331,937** | **6,362,406** |
| Scheduled Charter | 0.1% | 2,864 | 5,973 | 8,634 | 7,662 | 6,596 | 10,593 | 9,881 | 11,157 | 7,847 | 7,409 |
| Non-Scheduled Charter | 0.3% | 9,805 | 35,178 | 32,882 | 33,853 | 29,554 | 27,466 | 13,322 | 7,362 | 10,662 | 8,907 |
| **Charter Total** | **0.4%** | **12,669** | **41,151** | **41,516** | **41,515** | **36,150** | **38,059** | **23,203** | **18,519** | **18,509** | **16,316** |
| **Total Passengers** | **100.0%** | **3,269,127** | **8,637,108** | **8,141,656** | **7,576,592** | **7,324,180** | **6,796,393** | **6,356,026** | **6,224,348** | **6,350,446** | **6,378,722** |

*Source: The Authority's Accounting Department and Business Development Department*

*[1] AirTran Airways merged with Southwest in December 2014.*
*[2] US Airways merged with American Airlines in October 2015.*
*[3] Continental was merged into United in March 2012.*



## *Top Ten Customers*

## For Year Ended December 31, 2020

| | 2020 % of Operating Revenue | 2020 Revenue | 2011 Revenue |
|---|---|---|---|
| Southwest Airlines [1] | 10.2% | $ 8,108,000 | $ 9,358,000 |
| American Airlines Group [2] | 8.4% | 6,683,000 | 5,320,000 |
| Delta Air Lines | 7.5% | 5,950,000 | 4,815,000 |
| United Airlines [3] | 4.7% | 3,779,000 | 3,334,000 |
| Avis Budget Car Rental LLC [4] | 2.6% | 2,060,000 | 3,114,000 |
| Spirit Airlines | 2.6% | 2,058,000 | - |
| Allegiant Air | 2.1% | 1,682,000 | 5,000 |
| EAN Holdings [5] | 2.0% | 1,595,000 | 1,583,000 |
| AVFuel Corporation | 1.7% | 1,337,409 | - |
| Byers Rent A Car | 1.6% | 1,272,000 | 739,000 |
| Remainder | 56.7% | 45,275,000 | 49,182,000 |
| **Total Operating Revenue** | **100.0%** | **$ 79,801,000** | **$ 77,450,000** |

*Source: The Authority's Accounting Department*

*[1] AirTran Airways merged with Southwest in December 2014. 2011 revenue reflects Southwest and AirTran Airways for comparison purposes.*

*[2] US Airways merged with American Airlines in October 2015. 2011 revenue reflects American Airlines and US Airways for comparison purposes.*

*[3] Continental Airlines merged with United Airlines in March 2012. 2011 revenue reflects United Airlines and Continental Airlines for comparison purposes.*

*[4] Avis and Budget Car Rental began operating under the same agreement with the Authority in January 2016. 2011 revenue reflects Avis and Budget Car Rental for comparison purposes.*

*[5] EAN Holdings (National and Alamo Car Rental) began operating under the same agreement with the Authority in January 2016. 2011 revenue reflects National and Alamo Car Rental for comparison purposes.*

## *Budgeted Employees By Department*

### For the 10 Years Ended December 31, 2020

| | 2020[1] | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Administration, Legal & Communications | 21 | 24 | 25 | 25 | 25 | 23 | 21 | 21 | 17 | 20 |
| Airfield Services | 68 | 86 | 87 | 87 | 95 | 107 | 112 | 105 | 105 | 102 |
| Business Development & Real Estate | 13 | 13 | 16 | 16 | 16 | 15 | 14 | 14 | 13 | 13 |
| Asset Management | 12 | 11 | 17 | 16 | 14 | 14 | 13 | 11 | 8 | 8 |
| Facilities & Custodial | 112 | 112 | 115 | 116 | 115 | 115 | 114 | 117 | 112 | 107 |
| Finance & Accounting | 16 | 16 | 16 | 17 | 17 | 17 | 18 | 18 | 22 | 18 |
| Human Resources | 10 | 11 | 13 | 11 | 11 | 9 | 10 | 10 | 9 | 7 |
| Innovation & Technology | 18 | 22 | 26 | 25 | 25 | 22 | 22 | 22 | 18 | 10 |
| Airfield Operations | 37 | 42 | 44 | 36 | 35 | 34 | 34 | 30 | 29 | 28 |
| Parking & Ground Transportation | 10 | 11 | 12 | 12 | 12 | 12 | 13 | 13 | 13 | 14 |
| Planning & Construction Administration | 22 | 28 | 27 | 25 | 24 | 21 | 21 | 21 | 26 | 24 |
| Public Safety | 64 | 63 | 63 | 64 | 60 | 60 | 63 | 66 | 69 | 70 |
| **Total** | **403** | **439** | **461** | **450** | **449** | **449** | **455** | **448** | **441** | **421** |

*Source: The Authority's Payroll Department*

*[1] 2020 Full-time and Part-time employee counts only. Winter and summer seasonal employees are not included.*

## *Largest Employers in the Central Ohio Area*

### Ranked by number of full-time employees

| | | % of Total 2019 Employment | 2019 | % of Total 2011 Employment | 2011 |
|---|---|---|---|---|---|
| 1 | The Ohio State University | 3.25% | 34,416 | 2.52% | 23,286 |
| 2 | OhioHealth | 2.35% | 24,889 | 1.21% | 11,229 |
| 3 | State of Ohio | 2.19% | 23,254 | 2.64% | 24,415 |
| 4 | JPMorgan Chase & Co. | 1.76% | 18,596 | 1.95% | 18,000 |
| 5 | Nationwide Mutual Insurance Co. | 1.29% | 13,710 | 1.23% | 11,419 |
| 6 | Nationwide Children's Hospital | 1.09% | 11,539 | 0.48% | 4,480 |
| 7 | Kroger Co. | 1.02% | 10,854 | 0.58% | 5,321 |
| 8 | City of Columbus | 0.85% | 8,957 | 0.84% | 7,781 |
| 9 | L Brands | 0.81% | 8,616 | 0.65% | 6,000 |
| 10 | Mount Carmel Health System | 0.77% | 8,148 | 0.65% | 5,978 |
| 11 | Honda North America Inc. | 0.68% | 7,200 | 0.76% | 7,000 |
| 12 | Franklin County | 0.58% | 6,150 | 0.67% | 6,178 |
| 13 | Huntington Bancshares Inc. | 0.48% | 5,092 | 0.51% | 4,689 |
| 14 | Cardinal Health Inc. | 0.45% | 4,805 | 0.45% | 4,138 |
| 15 | American Electric Power Company Inc. | 0.42% | 4,485 | 0.38% | 3,486 |
| 16 | Alliance Data | 0.41% | 4,396 | 0.22% | 2,053 |
| 17 | Giant Eagle Inc. | 0.36% | 3,820 | 0.00% | - |
| 18 | Amazon | 0.33% | 3,496 | 0.00% | - |
| 19 | Abercrombie & Fitch Co. | 0.28% | 2,960 | 0.32% | 2,998 |
| 20 | South-Western City School District | 0.25% | 2,688 | 0.26% | 2,433 |
| 21 | Whirlpool Corp. | 0.24% | 2,519 | 0.00% | - |
| 22 | DLA Land and Maritime | 0.24% | 2,500 | 0.32% | 3,000 |
| 23 | Columbus State Community College | 0.23% | 2,458 | 0.00% | - |
| 24 | Wendy's Company | 0.22% | 2,338 | 0.00% | - |
| 25 | Discover Financial Services LLC | 0.22% | 2,283 | 0.00% | - |
| | Other Employers | 79.23% | 839,331 | 83.36% | 711,116 |

*Sources: Columbus Business First - July 10, 2020 Issue of The List.*

*Information on The List was obtained from individual employers via online survey, and by One Columbus.*

*"-" Not listed within the top 100*

## *Estimated Civilian Labor Force and Annual Average Unemployment Rates*

### For the 10 Years Ended December 31, 2020

(labor force in thousands)

| | FRANKLIN COUNTY | | COLUMBUS MSA[1] | | OHIO | | U.S. |
|---|---|---|---|---|---|---|---|
| Year | Labor Force[2] | Unemployment Rate[3] | Labor Force[2] | Unemployment Rate[3] | Labor Force[2] | Unemployment Rate[3] | Unemployment Rate[3] |
| 2020 | 698.0 | 7.5% | 1,094.6 | 7.1% | 5.754 | 8.1% | 8.1% |
| 2019 | 697.6 | 3.5% | 1,098.6 | 3.6% | 5.842 | 4.2% | 3.7% |
| 2018 | 689.4 | 3.8% | 1,085.8 | 3.9% | 5.790 | 4.5% | 3.9% |
| 2017 | 682.1 | 4.1% | 1,075.8 | 4.1% | 5.796 | 5.0% | 4.4% |
| 2016 | 666.6 | 4.1% | 1,055.5 | 4.2% | 5.754 | 5.0% | 4.9% |
| 2015 | 655.1 | 4.1% | 1,037.6 | 4.2% | 5.710 | 5.0% | 5.3% |
| 2014 | 647.2 | 4.9% | 1,027.6 | 4.9% | 5.713 | 5.8% | 6.2% |
| 2013 | 638.8 | 6.4% | 1,016.1 | 6.5% | 5.706 | 7.5% | 7.4% |
| 2012 | 630.1 | 6.4% | 1,003.9 | 6.5% | 5.712 | 7.4% | 8.1% |
| 2011 | 627.4 | 7.8% | 1,003.8 | 7.8% | 5.773 | 8.8% | 8.9% |

*Source: Ohio Department of Job & Family Services, Office of Workforce Development (Preliminary data which is subject to change)*

*[1] The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Franklin, Licking, Madison, Morrow, Pickaway and Union Counties.*

*[2] Civilian labor force is the estimated number of persons 16 years of age and over, working or seeking work.*

*[3] The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force.*

# *Population and Personal Income Statistics*
# *Columbus Regional Airport Authority*
## For the 10 Years Ended December 31, 2020

| Year | FRANKLIN COUNTY | | | COLUMBUS MSA[1] | | | OHIO | | | U.S. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Personal Income[2] (in thousands) | Population[3] (in thousands) | Per Capita Personal Income[4] | Personal Income[2] (in thousands) | Population[3] (in thousands) | Per Capita Personal Income[4] | Personal Income[2] (in thousands) | Population[3] (in thousands) | Per Capita Personal Income[4] | Per Capita Personal Income[4] |
| 2020 | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) |
| 2019 | $ 68,002 | 1,316 | $51,644 | $111,370 | 2,122 | $ 52,477 | $ 586,784 | 11,689 | $ 50,199 | $ 56,490 |
| 2018 | $ 65,757 | 1,307 | $50,285 | $107,553 | 2,104 | $ 51,114 | $ 569,184 | 11,676 | $ 48,747 | $ 54,606 |
| 2017 | $ 63,232 | 1,295 | $48,809 | $102,964 | 2,082 | $ 49,441 | $ 546,006 | 11,659 | $ 46,829 | $ 52,118 |
| 2016 | $ 61,328 | 1,274 | $48,122 | $ 98,819 | 2,052 | $ 48,153 | $ 526,177 | 11,634 | $ 45,226 | $ 50,015 |
| 2015 | $ 59,977 | 1,257 | $47,700 | $ 95,862 | 2,027 | $ 47,279 | $515,871 | 11,617 | $ 44,405 | $ 49,019 |
| 2014 | $ 56,840 | 1,238 | $45,900 | $ 90,936 | 2,001 | $ 45,431 | $ 496,069 | 11,602 | $ 42,755 | $ 47,071 |
| 2013 | $ 53,901 | 1,218 | $44,222 | $ 86,661 | 1,974 | $ 43,900 | $ 475,776 | 11,576 | $ 41,098 | $ 44,860 |
| 2012 | $ 53,280 | 1,199 | $44,435 | $ 85,002 | 1,947 | $ 43,654 | $ 469,260 | 11,548 | $ 40,632 | $ 44,605 |
| 2011 | $ 49,207 | 1,180 | $41,673 | $ 79,365 | 1,926 | $ 41,200 | $ 451,011 | 11,544 | $ 39,067 | $ 42,739 |

*Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Income Division -- November 2019 (Preliminary data which is subject to change)*

*All dollar estimates are in current dollars (not adjusted for inflation).*

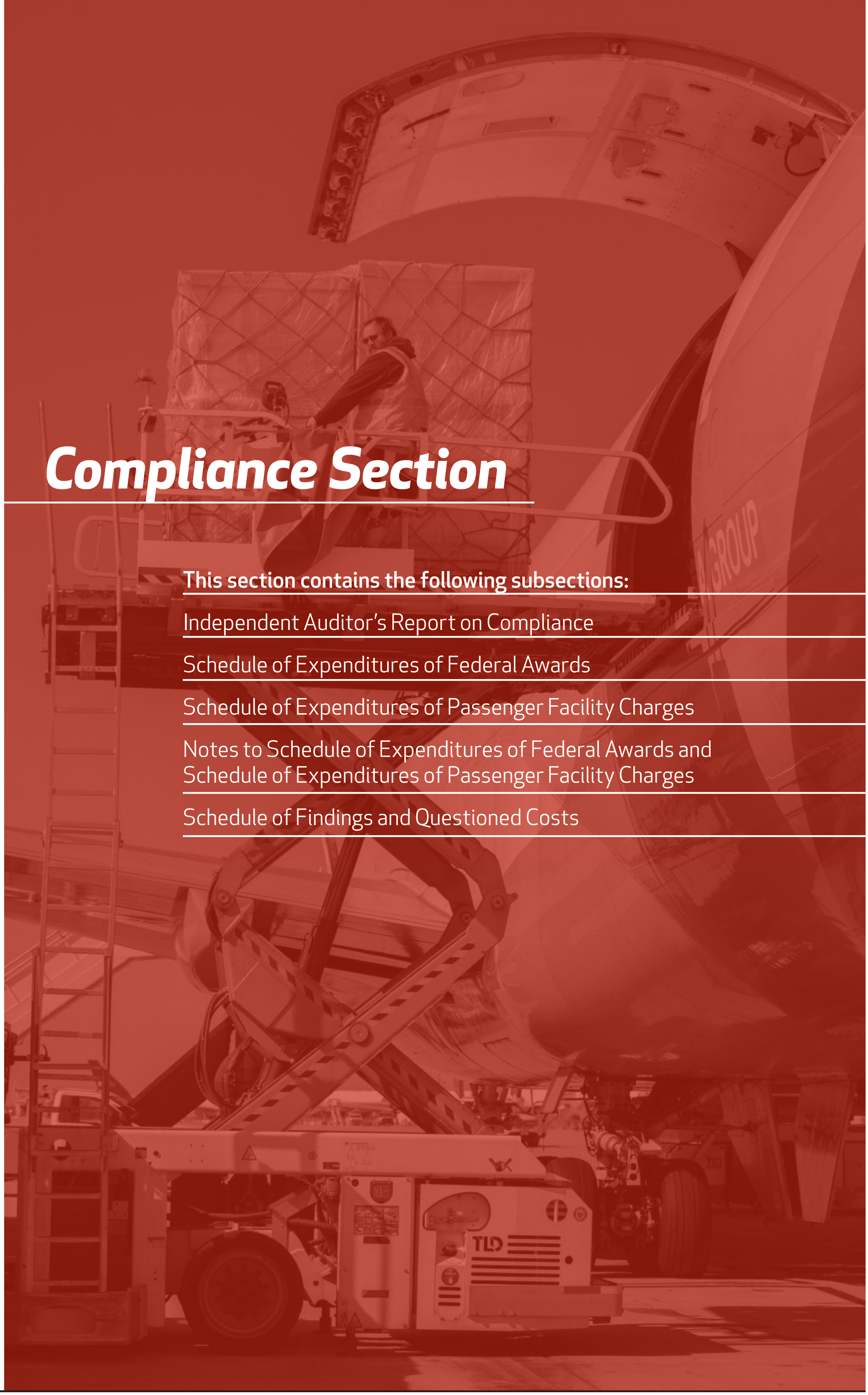
*(NA) Data not available for this year.*

*(1) The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, Pickaway and Union Counties*

*(2) The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients..*

*(3) Census Bureau midyear population estimates. Estimates for 2010-2019 reflect county population estimates available as of March 2020.*

*(4) Per capita personal income is total personal income divided by total midyear population.*



# Compliance Section

**This section contains the following subsections:**

plante moran

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

## Independent Auditor's Report

To Management and the Board of Directors
Columbus Regional Airport Authority

We have audited, 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, the financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 10, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and the Board of Directors
Columbus Regional Airport Authority

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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.*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

March 10, 2021

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Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Directors
Columbus Regional Airport Authority

**Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program**

We have audited Columbus Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2020. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, for the year ended December 31, 2020. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge expenditure schedule.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and the passenger facility charge program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs and the Authority's passenger facility charge program based on our audit of the types of compliance requirements referred to above.

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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide"). Those standards, the Uniform Guidance, and the Guide 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 passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal Program and Passenger Facility Charge Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program and its passenger facility charge program for the year ended December 31, 2020.

**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the passenger facility charge program to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

March 10, 2021

## *Schedule of Expenditures of Federal Awards*

### For the Year Ended December 31, 2020

| Federal Grantor | Federal CFDA Number | Grant Number | Federal Receipts | Total Amount Provided to Subrecipients | Federal Expenditures |
|---|---|---|---|---|---|
| **DEPARTMENT OF TRANSPORTATION** | | | | | |
| **Direct:** | | | | | |
| Federal Aviation Administration - Airport Improvement Program (AIP): | 20.106 | | | | |
| Vale Infrastructure on Gate B36 & Gate C48 at CMH | | 3-39-0025-88 | $ 42,793 | $ - | $ 42,793 |
| Acquire 5 - High Speed 6x6 24' Plow Truck with V-Beds | | 3-39-0025-89 | 154,614 | - | 154,614 |
| CMH Noise Comp. Program Update | | 3-39-0025-90 | 398,384 | - | 398,384 |
| CMH Deice Pad Expansion | | 3-39-0025-91 | 1,877,267 | - | 1,877,267 |
| Rehabilitate Runway 4-22 (Design) | | 3-39-0026-24 | 24,811 | - | 24,811 |
| Rehabilitate Runway 4-22 (Construction) | | 3-39-0026-25 | 236,789 | - | 236,789 |
| LCK MOS Ph. 1A and 1B Improvements and Update Pavement Mgmt. Program | | 3-39-0117-43 | 523,416 | - | 523,416 |
| LCK MOS Ph. 1 Improvements | | 3-39-0117-44 | 357,567 | - | 357,567 |
| Acquire 6x6 5000 Gallon Deice Truck, Tandem Axel Plow/ Spreader, and Five Yard Articulating Wheel Loader | | 3-39-0117-47 | 999,288 | - | 999,288 |
| LCK MOS Phase 2A | | 3-39-0117-49 | 13,240,824 | | 13,240,824 |
| Runway 5R-23L Rehab and MOS Phase 2B | | 3-39-0117-50 | 516,788 | - | 516,788 |
| Coronavirus Aid, Relief, and Economic Security Act (CARES Act): | 20.106 | | | | |
| COVID-19 John Glenn International Airport | | 3-39-0025-92 | 19,512,133 | - | 19,512,133 |
| COVID-19 Bolton Field | | 3-39-0026-26 | 69,000 | - | 69,000 |
| COVID-19 Rickenbacker International Airport | | 3-39-0117-48 | 1,418,867 | - | 1,418,867 |
| **Subtotal Federal Aviation Administration** | | | **39,372,541** | **-** | **39,372,541** |
| **Pass Through:** | | | | | |
| National Highway Traffic Safety Administration - | | | | | |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | DUI FFY 2020 | 572 | - | 572 |
| **Subtotal National Highway Traffic Safety Administration** | | | **572** | **-** | **572** |
| **TOTAL DEPARTMENT OF TRANSPORTATION** | | | **39,373,113** | **-** | **39,373,113** |
| **DEPARTMENT OF JUSTICE** | | | | | |
| **Direct:** | | | | | |
| Drug Enforcement Agency - Equitable Sharing Program | 16.922 | N/A | 281,755 | - | 226,596 |
| **TOTAL DEPARTMENT OF JUSTICE** | | | **281,755** | **-** | **226,596** |
| **TOTAL FEDERAL AWARDS** | | | **$ 39,654,868** | **$ -** | **$ 39,599,709** |

*See Accompanying Notes to Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges*

# *Schedule of Expenditures of Passenger Facility Charges*

## For the Year Ended December 31, 2020

| Program | Receipts | Expenditures |
|---|---|---|
| Passenger Facility Charges | $ 7,626,872 | $ 51,588,294 |

*See Accompanying Notes to Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges.*

## *Notes to Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges*

For the Year Ended December 31, 2020

## Note 1 - *Summary of Significant Accounting Policies*

**General** — The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges present the activity of all federal assistance programs of the Columbus Regional Airport Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Airport, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Airport.

The Authority has not elected to use the 10-percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

## Note 2 - *Basis of Accounting*

**Basis of Accounting** — The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid and requested rather than when the obligations are incurred. The basis for determining when federal awards are expended is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In addition, expenditures reported on the Schedule are recognized following, as applicable the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

## Section I - *Summary of Auditor's Results*

1. The independent auditors' report on the financial statements expressed an unmodified opinion.

2. No significant deficiencies or material weaknesses in internal control over financial reporting were identified.

3. No instance of noncompliance considered material to the financial statements was disclosed.

4. No significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.

5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unmodified opinion.

6. The audit disclosed no findings, which are required to be reported by Section 2 CFR 200.516 (a).

7. The organization's major program was:
   Airport Improvement Program ("AIP") (CFDA #20.106).

8. For the year ending December 31, 2020, the dollar threshold for Type A programs was $1,1887,991.

9. The Auditee did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

## Section II - *Financial Statement Findings Section*

No matters were noted.

## Section III - *Federal Award Findings and Questioned Cost Section*

No matters were noted.

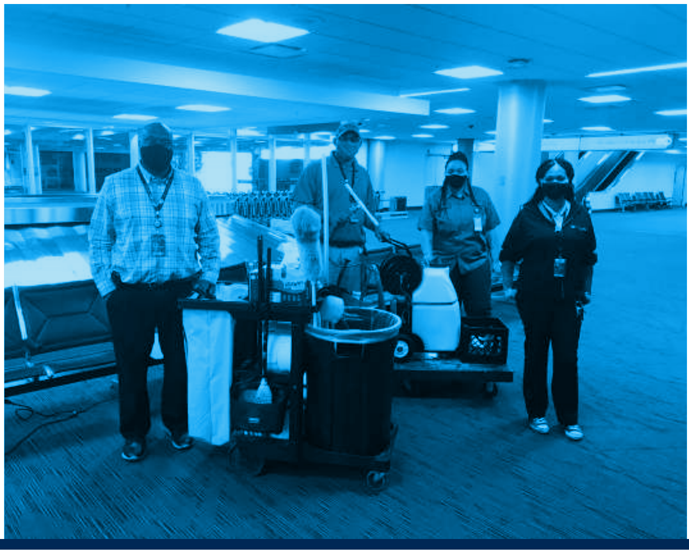

THANK YOU
to our essential workers!



27


American Eagle

cargolux
NOT WITHOUT
MY MASK

AIRPORT



COLUMBUS
REGIONAL AIRPORT AUTHORITY

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