



**COLUMBUS**  
REGIONAL AIRPORT AUTHORITY



# **Comprehensive Annual Financial Report**

Columbus Regional Airport Authority  
Columbus, Ohio  
For the Years Ended December 31, 2019 and 2018



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# **Comprehensive** Annual Financial Report

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*Columbus Regional Airport Authority  
Columbus, Ohio  
For the Years Ended December 31, 2019 and 2018*

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Prepared by:

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Chief Financial Officer

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Director, Accounting & Finance

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# ***Introductory Section***

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**This section contains the following subsections:**

Letter of Transmittal

Board of Directors

Organization Chart and Senior Management

Certificate of Achievement

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April 22, 2020

#### Board of Directors

William R. Heifner

**Chair**

Jordan A. Miller, Jr.

**Vice Chair**

Dr. Frederic Bertley, Ph.D.

Don M. Casto, III

Paul Chodak, III

Elizabeth P. Kessler, Esq.

Karen Morrison

Susan Tomasky

Terrance Williams

Joseph R. Nardone

**President & CEO**

# 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, 2019 and 2018 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, 2019, 2018 and 2017 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 2019 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

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FIELD

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 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.

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## **Economic Conditions and Outlook**

Economic conditions have continued to improve for our community and have positively impacted the aviation and logistics industries. 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 moderate growth for the foreseeable future.

The economy of the Greater Columbus area, including Franklin County and the ten surrounding counties, has encountered better than expected economic improvement compared to the State of Ohio and the nation in 2019. The 2019 average preliminary unemployment rate as of the December report provided by the US Bureau of Labor Statistics of 3.5% was below that of Ohio (4.1%) and the United States (3.7%). 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 140,000 jobs in Central Ohio, assures that the local economy can withstand some economic slowdowns.

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.

An independent economic impact study found that the three airports and business segments operated by the Columbus Regional Airport Authority generate 59,000 jobs, \$3.1 billion in annual payroll and \$12.9 billion in total annual economic output. Additional data can be found in the Statistical Section of this CAFR.

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## **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.

During 2019, more than 8.6 million passengers traveled through John Glenn International Airport (CMH), up 6.1% from 2018, making it the airport's busiest year in history. Alaska Airlines, one of the most popular U.S. West Coast air carriers started daily non-stop flights to Seattle in March of 2019. New nonstop service to markets previously accessed only via connecting flights, such as Salt Lake City, San Francisco, Sarasota and more flights, and/or larger aircraft with more seats available for booking on long-standing high-demand routes also contributed to the growth.

2019 was also the best on record for Rickenbacker International Airport (LCK) with passenger traffic up 0.5% from 2018. In addition to passenger growth, 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 2019 federal report, \$10.4 billion worth of goods moved through warehousing and distribution operations within FTZ 138 in 2018. As a result, Rickenbacker-based FTZ 138 ranks 7 out of 195 active U.S. zones, reflecting an increase of 12.4 percent over 2017 when it was ranked 9th.

In 2019, the Authority began construction of a new consolidated rental-car facility and a Residence Inn by Marriott at John Glenn. The consolidated rental-car facility is planned to open in the summer of 2021 and 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.

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## **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 re-



spects, 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 Audit Manager 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.

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## **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.

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## **Activity Highlights**

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

	2019	2018	% Change
Airline Cost	\$ 33,292,179	\$ 32,275,852	3.1
Enplanements	4,314,619	4,075,851	5.9
Cost Per Enplaned Passenger	\$ 7.72	\$ 7.92	-2.6

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. For 2019 and 2018, the airline CPE at John Glenn International has remained competitive at \$7.72 and \$7.92 respectively. CPE continues to compare favorably with other medium hub airports, further reinforcing John Glenn International's reputation as a cost effective, airline-friendly facility.

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## **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, 2019 and 2018 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 A-133. 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, 2019. A copy of the report can be found in the Compliance Section of this CAFR.

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## **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, 2018. 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-seven consecutive years, ended December 31, 2018. 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.

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## Acknowledgments

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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 specifically 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, 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,

A handwritten signature in black ink, appearing to read "Randy Bush". The signature is stylized with a large initial "R" and "B".

Randy Bush, CPA, CGMA

Chief Financial Officer

# Board of Directors



## Chair

**William R. Heifner**  
President  
Renier Construction



## Vice Chair

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



## Directors

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



**Don M. Casto, III**  
President & Owner  
CASTO



**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



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



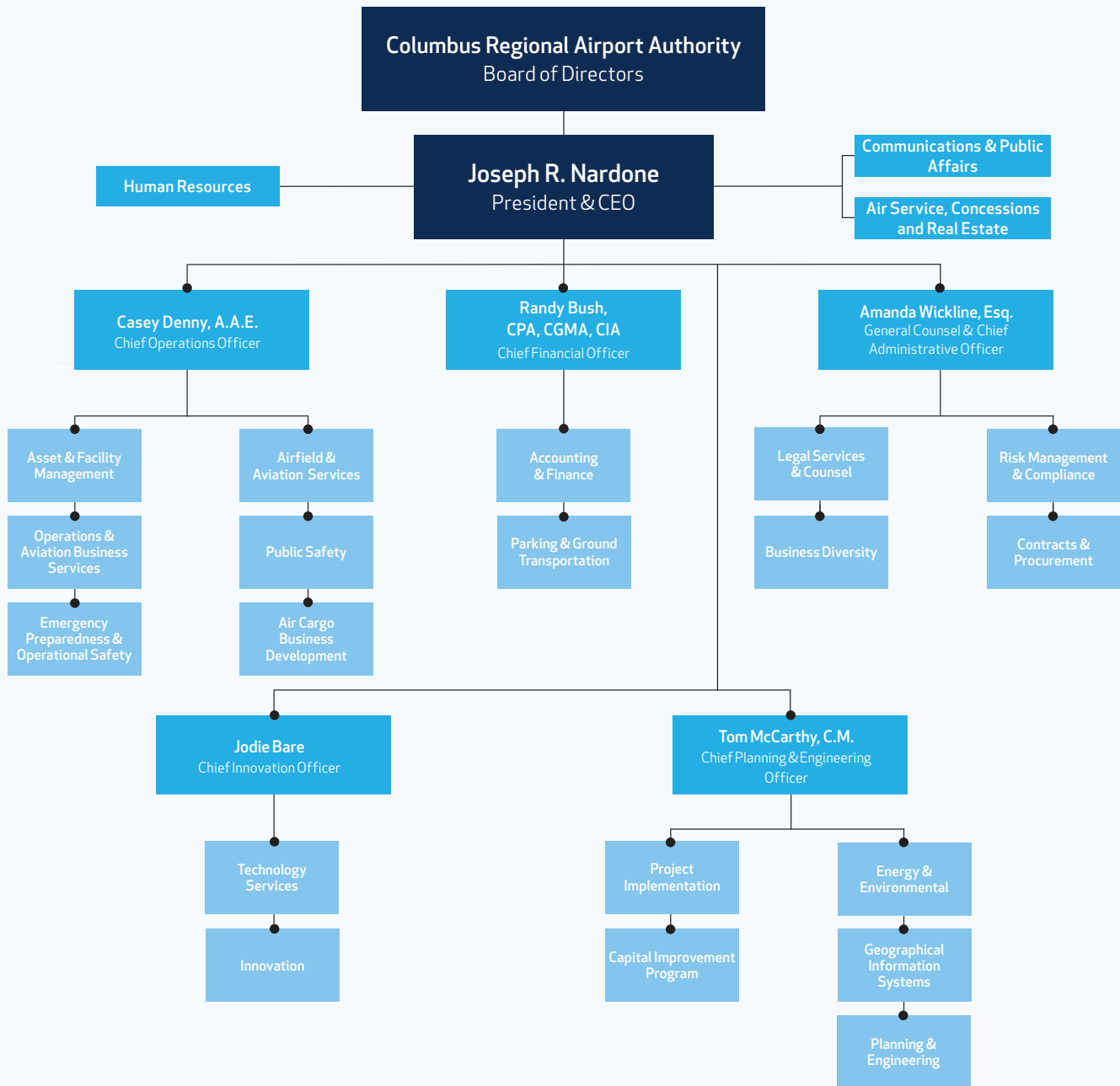
**Ramon Jones**  
Executive Vice President  
Chief Marketing Officer  
Nationwide Insurance



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

# Organization Chart

## and Senior Management



## Senior Management

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

Shannon Fitzpatrick, SHRM-SCP, Director, Human Resources

Ronald Gray, Chief of Police & Director, Public Safety

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

Brian J. Sarkis, Director, Project Implementation

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

Paul E. Streitenberger, CPA, CGMA Director, Accounting & Finance



Government Finance Officers Association

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**Columbus Regional Airport Authority  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information



## Independent Auditor's Report

To the Board of Directors  
Columbus Regional Airport Authority

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the years ended December 31, 2019 and 2018 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 basic financial statements referred to above present fairly, in all material respects, the financial position of Columbus Regional Airport Authority as of December 31, 2019 and 2018 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 (GASB), 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbus Regional Airport Authority's basic financial statements. The supplemental schedule of revenue and expenses: budget vs. actual - budget basis, schedule of expenditures of federal awards, schedule of expenditures of passenger facility charges, the introductory section, and the statistical section are presented for the purpose of additional analysis and are not a required part of the 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* (the "Uniform Guidance").

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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

To the Board of Directors  
Columbus Regional Airport Authority

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 audit 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 4, 2020 on our consideration of Columbus Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Columbus Regional Airport Authority's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

March 4, 2020

# 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, 2019 and 2018. 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.

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## Significant Events

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### John Glenn and Rickenbacker airports experience continued growth during 2019

The Authority experienced another record for passenger growth at John Glenn Columbus International Airport (CMH) and Rickenbacker International Airport (LCK). The two airports had a combined 8.9 million passengers in 2019, a 6.2 percent increase from 2018 with 8.6 million passengers traveling through CMH, up 6.1 percent increase from 2018. The regions increasing population and economic growth contributed to the continued growth. Other contributing factors include the addition of Alaska and Spirit airlines and more direct flights to cities such as Salt Lake City, Seattle, San Francisco, and Houston that were previously served through connecting flights. Increased flights and aircraft with more seats available for long-standing high-demand routes such as Chicago, Denver, Fort Lauderdale, Tampa, and Los Angeles have also helped to drive the growth.

### John Glenn International Airport to source 100% of its energy supply from renewable sources

John Glenn Columbus International Airport announced its plans to source 100% of its energy supply from renewable sources. The collaboration with AEP Energy and Worthington Energy Consultants will include both John Glenn International Airport and Bolton Field Airport with expected savings of nearly \$13 million in energy costs. CMH will join a handful of other U.S. airports in programs that source all its energy from renewable sources.

### Rickenbacker-based Foreign Trade Zone (FTZ) 138 ranks 7 out of 195 active U.S. zones

The Authority operated FTZ is growing and so is the competitiveness of the businesses operating within the 25-county zone. FTZ 138 received its number 7 ranking by the U.S. Foreign-Trade Zone Board's 2018 Annual Report to Congress released in late November of 2019, which is a 12.4 percent increase over 2017 when it ranked 9th.

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## Financial Highlights

The Authority's overall financial position improved during 2019 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 2019 is as follows:

The Authority's Total Assets increased \$118.3 million over 2018. Current Assets increased \$8.1 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 2019. 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.

### A summary of the Authority's financial highlights for the year 2018 is as follows:

The Authority's Total Assets increased \$22.4 million over 2017. Current Assets increased \$2.2 million as a result of increased short term investments. Non-Current Assets (Unrestricted and Restricted) increased \$20.3 million primarily due to increased restricted cash and equivalents.

Total Liabilities increased \$497,000 over 2017. The increase is primarily the result of \$1.7 million increase in current liabilities related to tenant prepayments offset by a \$1.2 million decrease in long-term liabilities related to long-term debt.

Total 2018 Operating Revenues were favorable to budget by \$4.4 million as a result of increased parking, concession and cargo revenues offset by a decrease in airline revenues. Compared to 2017, total Operating Revenues increased \$4.1 million. The increase is primarily a result of higher revenue received from parking, concession and cargo operations.

Total 2018 Operating Expenses were unfavorable to budget by \$5.0 million related to increased pension and OPEB expense and parking services. Compared to 2017, total Operating Expenses increased \$4.0 million. The increase is primarily a result of an increase associated with employee wages & benefits and purchased services.

## Financial Position

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

	Dollars in 000's			% Change	
	2019	2018	2017	2019	2018
<b>ASSETS</b>					
Current Assets - Unrestricted	\$ 81,799	\$ 73,726	\$ 71,541	11.0	3.1
Capital Assets	779,480	760,545	758,463	2.5	0.3
Other Non-Current Assets - Unrestricted	39,844	31,857	34,091	25.1	-6.6
Other Non-Current Assets - Restricted	187,419	104,162	83,747	79.9	24.4
<b>Total Assets</b>	<b>1,088,542</b>	<b>970,290</b>	<b>947,842</b>	<b>12.2</b>	<b>2.4</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions and OPEB	18,903	9,187	16,904	105.8	-45.7
<b>Total Deferred Outflows of Resources</b>	<b>18,903</b>	<b>9,187</b>	<b>16,904</b>	<b>105.8</b>	<b>-45.7</b>
<b>LIABILITIES</b>					
Current Liabilities - Unrestricted	29,189	28,687	26,994	1.7	6.3
Long-Term Liabilities - Restricted Due Within 1 Year	30,764	21,144	20,151	45.5	4.9
Long-Term Liabilities - Unrestricted Due Within More than 1 Year	126,904	110,850	113,037	14.5	-1.9
Long-Term Liabilities - Restricted Due Within More than 1 Year	94,325	-	-	0.0	0.0
<b>Total Liabilities</b>	<b>281,182</b>	<b>160,681</b>	<b>160,182</b>	<b>75.0</b>	<b>0.3</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Bond Refunding, Pensions, and OPEB	1,167	8,329	678	(86.0)	1,128.5
<b>Total Deferred Inflows of Resources</b>	<b>1,167</b>	<b>8,329</b>	<b>678</b>	<b>(86.0)</b>	<b>1,128.5</b>
<b>NET POSITION</b>					
Net Investment In Capital Assets	606,663	679,579	667,630	-10.7	1.8
Net Position - Restricted	184,391	102,829	83,063	79.3	23.8
Net Position - Unrestricted	34,042	28,059	53,193	21.3	-47.3
<b>Total Net Position</b>	<b>\$ 825,096</b>	<b>\$ 810,467</b>	<b>\$ 803,886</b>	<b>1.8</b>	<b>0.8</b>

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 (\$606.7 million or 73.53% 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 (\$184.4 million or 22.35% 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.

**An analysis of significant changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the year 2018 is as follows:**

The net pension liability (NPL) reported by the Authority at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates

are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Authority is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2018, from \$803,885,797 to \$785,277,941.

The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$810.5 million, a \$6.6 million increase over December 31, 2017. The largest portion of the Authority's net position each year (\$679.6 million or 83.85% at December 31, 2018) 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.

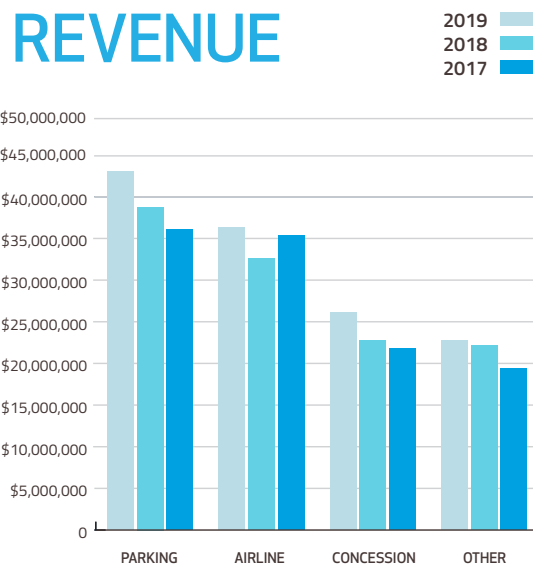
An additional portion of the Authority's net position (\$102.8 million or 12.7% at December 31, 2018) represents resources that are restricted for the funding of bond reserves and capital projects. These resources are not available for new spending because they have already been committed to fund bond reserves and capital projects.

The remaining unrestricted net position of \$28.1 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	
	2019	2018	2017	2019	2018
Parking Revenue	\$ 42,944	\$ 38,694	\$ 36,006	11.0	7.5
Airline Revenue	36,297	32,676	35,125	11.1	-7.0
Concession Revenue	26,791	23,152	21,800	15.7	6.2
Cargo Operations Revenue	7,893	7,791	6,488	1.3	20.1
Hotel Operations Revenue	4,856	4,615	4,492	5.2	2.7
General Aviation Revenue	3,919	3,631	3,524	7.9	3.0
Foreign Trade Zone Fees	308	310	320	-0.6	-3.1
Other Revenue	6,258	5,869	4,820	6.6	21.8
<b>Total Operating Revenues</b>	<b>\$ 129,266</b>	<b>\$ 116,738</b>	<b>\$ 112,575</b>	<b>10.7</b>	<b>3.7</b>



**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.

**An analysis of significant changes in revenues for the year 2018 is as follows:**

- Parking Revenue increased \$2.7 million or 7.5%. This increase is related to an increase in enplaned passengers utilizing parking facilities over 2017.
- Cargo Operations Revenue increased \$1.3 million or 20.1%. This is the result of increased landing fees and fuel fees over 2017.

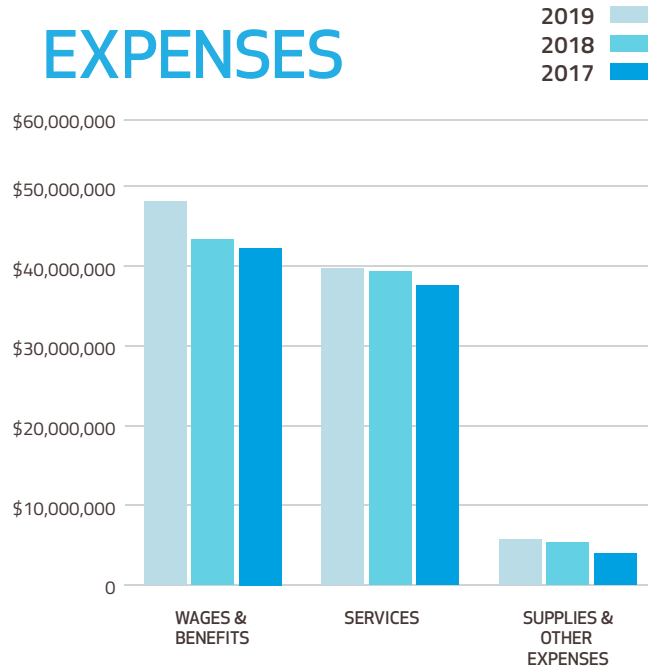
The following represents the Authority's summary of operating expenses by source for the years ended December 31:

	Dollars in 000's			% Change	
	2019	2018	2017	2019	2018
Employee Wages & Benefits	\$ 48,137	\$ 43,310	\$ 42,287	11.1	2.4
Purchase of Services	37,064	36,750	35,126	0.9	4.6
Materials & Supplies	5,655	5,293	3,964	6.8	33.5
Hotel Services	2,669	2,576	2,487	3.6	3.6
Other Expenses	82	57	25	43.9	128.0
<b>Total Operating Expenses</b>	<b>\$ 93,607</b>	<b>\$ 87,986</b>	<b>\$ 83,889</b>	<b>6.4</b>	<b>4.9</b>

\*The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 operating expenses still include OPEB expense of \$281,964 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,416,245. Consequently, in order to compare 2018 to 2017 total operating expense, the following adjustments are needed:

Total 2018 Operating Expenses under GASB 75	\$ 87,986,375
Less: OPEB Expense under GASB 75	(1,416,245)
Add: 2018 Contractually Required Contribution	-
Adjusted 2018 Operating Expenses	86,570,130
Total 2017 Operating Expense under GASB 45	83,888,713
<b>Increase in Operating Expenses Not Related to OPEB Expense</b>	<b>\$ 2,681,417</b>

# EXPENSES



**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.

**An analysis of significant changes in expenses for the year 2018 is as follows:**

- Employee Wages & Benefits increased by \$1.0 million or 2.4% due to increased pension expense related to GASB 68 and GASB 75.
- Purchased Services increased by \$1.6 million or 4.6% due to increased contract labor related to ground handling services at Rickenbacker Inland Port and parking services as well as increased airport maintenance and professional services over 2017.

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

	Dollars in 000's			% Change	
	2019	2018	2017	2019	2018
Total Operating Revenues	\$ 129,266	\$ 116,738	\$ 112,576	10.7	3.7
Total Operating Expenses	(93,607)	(87,986)	(83,888)	6.4	4.9
Operating Income before Depreciation	35,659	28,752	28,688	24.0	0.2
Depreciation	(48,800)	(47,232)	(46,107)	3.3	2.4
Operating Loss	(13,141)	(18,480)	(17,419)	-28.9	6.1
Investment Income	3,838	1,868	1,034	105.5	80.7
Investment Income - CFC	1,444	1,069	522	35.1	104.8
Passenger Facility Charges	17,040	16,326	14,754	4.4	10.7
Rental Car Facility Charges	10,967	10,451	10,060	4.9	3.9
Interest Expense	(1,491)	(1,708)	(1,782)	-12.7	-4.2
CFC Backed Revenue Bond Interest Expense	(2,433)	-	-	0.0	0.0
Gain (Loss) on Securities	1,054	(96)	(232)	-1197.9	-58.6
Amortization of Deferred Charges	58	58	58	0.0	0.0
Bond Issuance Cost	(814)	-	-	0.0	0.0
Gain (Loss) on Disposal of Assets	(16,116)	7,111	1,303	-326.6	445.7
Other Non-Operating Revenue	562	155	640	262.6	-75.8
<b>Income before Capital Contributions</b>	<b>968</b>	<b>16,754</b>	<b>8,938</b>	<b>-94.2</b>	<b>87.4</b>
Capital Contributions	13,660	8,435	11,335	61.9	-25.6
<b>Increase in Net Position</b>	<b>14,628</b>	<b>25,189</b>	<b>20,273</b>	<b>-41.9</b>	<b>24.2</b>
Net Position - Beginning of Year	810,467	803,886	783,613	0.8	2.6
Restatement for GASB 75	-	(18,608)	-	-	-
<b>Net Position - End of Year</b>	<b>\$ 825,095</b>	<b>\$ 810,467</b>	<b>\$ 803,886</b>	<b>1.8</b>	<b>0.8</b>

**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 or 61.9% million due to the purchase of snow removal equipment at John Glenn International Airport and runway projects at Rickenbacker International Airport.

**An analysis of significant changes in net position for the year 2018 is as follows:**

- Passenger Facility Charges increased by \$1.9 million or 12.8% related to an increase in passenger traffic.
- Gain on Disposal of Assets increased by \$5.8 million or 445.7% due to land sales near Rickenbacker International Airport.
- Capital Contributions from federal and state funding sources decreased by \$2.9 million or 25.6% due to the completion of snow removal equipment and jetbridge related projects at John Glenn International.

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## Capital Assets

The Authority's capital assets as of December 31, 2019, totaled \$779.4 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 2019 was 3.60% or \$51.8 million.

**Major capital projects in progress and expenditures incurred during 2019 included the following:**

Consolidated Rental Car Facility	\$ 30,721,680
Rehab Terminal Apron Rehab & Twy E Asphalt	11,423,432
Relocate Utility Corridor Phase 1	8,281,176
Extended Stay Hotel - Residence Inn	6,671,936
Twy Rehab & MOS Improvements Phase 1c	4,342,581
ACT 5 Rampt Reconstruction Phase 2	4,195,997

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.

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## 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 beginning February 2014 through April 2021.

The balance outstanding as of December 31, 2019 is \$3,415,987.

### 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 beginning January 2016 through January 2030.

The balance outstanding as of December 31, 2019 is \$30,019,638.

### **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 beginning February 2017 through November 2023.

The balance outstanding as of December 31, 2019 is \$27,428,640. 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 interest only installments of \$3,669,546 beginning in 2019 and 2020 and bi-annual principal and interest installments of \$5,689,546 beginning in 2021 through 2048.

The outstanding balance as of December 31, 2019 is \$94,325,000.

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

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## **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. In 2007, the Authority received approval to collect on its application effective December 26, 2007, in the amount of \$71.1 million. The newest application, which was approved on January 28, 2011 adds an additional \$185.0 million to the collectible amount and will extend the collection date to June 1, 2020. Through December 31, 2019, the Authority has collected PFCs, including interest earnings thereon, totaling \$348.9 million.

## Airline Rates and Charges

The Authority and certain airlines negotiated an agreement effective from January 1, 2015, through December 31, 2019, 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:

	2019	2018	2017	% Change	
				2019	2018
Landing Fees - Net of General Airline Credit (per 1,000 lbs)	\$ 2.06	\$ 1.91	\$ 2.37	7.9	-19.4
Terminal Rental Rate (Average)	74.41	78.25	73.70	-4.9	6.2
Apron Fee - Square Foot Rate Component	1.91	1.78	1.77	7.3	0.6
Apron Fee - Landed Weight Component (per 1,000 lbs)	0.41	0.37	0.36	10.8	2.8

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:

	2019	2018	2017	% Change	
				2018	2018
Landing Fees - (per 1,000 lbs)	\$ 3.44	\$ 3.18	\$ 3.03	8.2	5.0

## 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 [pstreitenberger@columbusairports.com](mailto:pstreitenberger@columbusairports.com) or sent in writing to Paul Streitenberger, Director, Accounting and Finance, Columbus Regional Airport Authority, 4600 International Gateway, Columbus, Ohio 43219.

## Statements of Net Position

### As of December 31, 2019 and 2018

ASSETS	2019	2018
<b>Current Assets - Unrestricted</b>		
Cash & Cash Equivalents	\$ 45,327,489	\$ 33,106,395
Other Investments	15,031,580	21,510,738
Accounts Receivable - Trade & Capital Grants, Net	15,565,496	13,883,408
Accounts Receivable - Other	1,889,162	1,683,896
Interest Receivable	728,735	317,025
Deposits, Prepaid Items, & Other	3,256,281	3,224,811
<b>Total Current Assets</b>	<b>81,798,743</b>	<b>73,726,273</b>
<b>Non-Current Assets - Unrestricted</b>		
Other Investments	39,156,872	31,041,044
Accounts Receivable - Other	357,739	317,092
Net Pension Asset	330,261	497,888
Land	97,498,344	95,282,252
Construction in Progress	63,059,810	33,960,219
Depreciable Capital Assets - Net of Accumulated Depreciation	618,921,480	631,302,940
<b>Total Non-Current Assets - Unrestricted</b>	<b>819,324,506</b>	<b>792,401,435</b>
<b>Non-Current Assets - Restricted</b>		
Cash & Cash Equivalents	50,694,793	41,188,024
Cash & Cash Equivalents - CFC Bond Proceeds	10,862,876	-
Other Investments	67,233,301	62,974,312
Other Investments - CFC Bond Proceeds	58,627,603	-
<b>Total Non-Current Assets - Restricted</b>	<b>187,418,573</b>	<b>104,162,336</b>
<b>Total Non-Current Assets</b>	<b>1,006,743,079</b>	<b>896,563,771</b>
<b>Total Assets</b>	<b>1,088,541,822</b>	<b>970,290,044</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
OPEB:	1,931,064	1,472,235
Pensions:		
Ohio Public Employees Retirement System - Traditional Plan	12,898,219	3,624,040
Ohio Public Employees Retirement System - Combined Plan	210,789	53,259
Ohio Public Employees Retirement System - Member-Directed Plan	43,015	29,181
Ohio Public Employees Retirement System Contributions - All Plans	3,819,472	4,008,097
<b>Total Pensions</b>	<b>16,971,495</b>	<b>7,714,577</b>
<b>Total Deferred Outflows of Resources</b>	<b>\$ 18,902,559</b>	<b>\$ 9,186,812</b>

See accompanying notes to the financial statements



## Statements of Net Position

As of December 31, 2019 and 2018 (continued)

	2019	2018
<b>LIABILITIES</b>		
<b>Current Liabilities - Unrestricted</b>		
Accounts Payable - Trade	\$ 11,609,621	\$ 8,684,408
Accrued Interest Payable	320,722	142,688
Accrued & Withheld Employee Benefits	7,112,557	7,457,603
Unearned Rent	403,028	391,174
Customer Deposits & Other	431,582	434,784
Other Accrued Expenses	9,311,515	11,576,263
<b>Total Current Liabilities</b>	<b>29,189,025</b>	<b>28,686,920</b>
<b>Long-Term Liabilities</b>		
<b>Payable from Restricted Assets - Due Within 1 Year</b>		
Retainages on Construction Contracts	3,027,475	1,332,729
Current Portion of Long-Term Debt	10,341,821	10,152,352
Revolving Bank Loan	17,394,696	9,658,562
<b>Total Payable from Restricted Assets - Due Within 1 Year</b>	<b>30,763,992</b>	<b>21,143,643</b>
<b>Payable from Unrestricted Assets - Due in more than 1 Year</b>		
Compensated Absences	1,039,760	1,449,259
Unearned Rent	1,835,567	1,952,554
Net Pension Liability	48,882,875	26,577,458
Net OPEB Liability	24,623,407	20,006,021
Long-Term Debt General Airport Revenues Bonds, Less Current Portion, Net	50,522,444	60,864,264
<b>Payable from Restricted Assets - Due in more than 1 Year</b>		
Long-Term Debt CFC Revenue Bonds, Less Current Portion, Net	94,325,000	-
<b>Total Payable from Restricted Assets - Due in More Than 1 Year</b>	<b>221,229,053</b>	<b>110,849,556</b>
<b>Total Long-Term Liabilities</b>	<b>251,993,045</b>	<b>131,993,199</b>
<b>Total Liabilities</b>	<b>281,182,070</b>	<b>160,680,119</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Gain on Bond Refunding (Net of Accumulated Amortization of \$174,847 in 2019 and \$116,565 in 2018)	233,130	291,412
OPEB:	66,811	1,490,315
Pensions:		
Ohio Public Employees Retirement System - Traditional Plan	731,916	6,319,644
Ohio Public Employees Retirement System - Combined Plan	132,851	222,239
Ohio Public Employees Retirement System - Member-Directed Plan	2,207	5,888
<b>Total Pensions</b>	<b>866,974</b>	<b>6,547,771</b>
<b>Total Deferred Inflows of Resources</b>	<b>1,166,915</b>	<b>8,329,498</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	676,153,022	679,578,821
Restricted:		
Passenger Facility Charges	44,132,140	30,184,924
Customer Facility Charges (Rental Cars)	48,776,555	59,060,429
Bond Reserves	21,991,923	13,584,254
<b>Total Restricted Net Position</b>	<b>114,900,618</b>	<b>102,829,607</b>
Unrestricted Net Position	34,041,756	28,058,811
<b>TOTAL NET POSITION</b>	<b>\$ 825,095,396</b>	<b>\$ 810,467,239</b>

See accompanying notes to the financial statements

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

For the Years Ended December 31, 2019 and 2018

	2019	2018
<b>OPERATING REVENUES</b>		
Parking Revenue	\$ 42,943,630	\$ 38,694,330
Airline Revenue	36,297,212	32,676,307
Concession Revenue	26,790,921	23,151,139
Cargo Operations Revenue	7,893,292	7,790,597
Hotel Operations Revenue	4,856,086	4,614,937
General Aviation Revenue	3,919,115	3,631,307
Foreign Trade Zone Fees	307,500	310,000
Other Revenue	6,257,955	5,869,076
<b>Total Operating Revenues</b>	<b>129,265,711</b>	<b>116,737,693</b>
<b>OPERATING EXPENSES</b>		
Employee Wages & Benefits	48,136,938	43,310,190
Purchase of Services	37,064,268	36,749,704
Materials & Supplies	5,655,157	5,293,357
Hotel Services	2,668,839	2,575,793
Other Expenses	82,152	57,331
<b>Total Operating Expenses</b>	<b>93,607,354</b>	<b>87,986,375</b>
Operating Income Before Depreciation	35,658,357	28,751,318
Less: Depreciation	48,800,225	47,231,773
<b>Operating Loss</b>	<b>(13,141,868)</b>	<b>(18,480,455)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	3,838,831	1,867,823
Investment Income - CFC	1,444,181	1,069,404
Passenger Facility Charges	17,040,307	16,326,010
Rental Car Facility Charges	10,966,768	10,451,363
GARB Interest Expense	(1,491,231)	(1,707,767)
CFC Backed Revenue Bond Interest Expense	(2,433,497)	-
Gain (Loss) on Securities	1,054,275	(96,093)
Amortization of Deferred Gain on Bond Refunding	58,282	58,282
Bond Issuance Costs	(814,399)	-
Gain (Loss) on Disposal of Assets	(16,115,577)	7,110,991
Other Non-Operating Revenues	562,019	155,146
<b>Total Non-Operating Revenues</b>	<b>14,109,959</b>	<b>35,235,160</b>
<b>Income Before Capital Contributions</b>	<b>968,091</b>	<b>16,754,705</b>
Capital Contributions	13,660,066	8,434,593
<b>Increase in Net Position</b>	<b>14,628,157</b>	<b>25,189,298</b>
Total Net Position - Beginning of Year, Restated per Note 17	810,467,239	803,885,797
Cumulative Effect of Change in Accounting Principle	-	<b>(18,607,856)</b>
Total Net Position - Beginning of Year, Restated	-	785,277,941
<b>Total Net Position - End of Year</b>	<b>\$ 825,095,396</b>	<b>\$ 810,467,239</b>

See accompanying notes to the financial statements

## Statements of Cash Flows

For the Years Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 129,752,602	\$ 116,595,488
Cash Paid to Employees	(38,621,101)	(38,391,677)
Cash Paid to Suppliers	(44,762,471)	(43,552,174)
Other Payments	(82,152)	(57,331)
<b>Net Cash Provided by Operating Activities</b>	<b>46,286,878</b>	<b>34,594,306</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from Federal, State, & Local Funded Operating Grants	562,019	155,146
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Property, Plant, & Equipment	(89,145,655)	(44,907,238)
Contributed Capital, Passenger Facility Charges, & Rental Car Facility Charges	39,252,249	41,290,387
Proceeds from Revolving Bank Loan	7,736,134	9,658,562
Payments on Revolving Bank Loan	-	(9,500,000)
Interest Paid on Bonds, Notes and Loan	(3,746,694)	(1,699,885)
Payment of Bond Issuance Costs	(814,399)	-
Principal Payments on Bonds, Notes, & Loan	(10,152,352)	(9,966,491)
Borrowing from Bonds, Notes, & Loan	94,325,000	-
Proceeds from the Sale of Capital Assets	6,885,243	3,262,931
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>44,339,526</b>	<b>(11,861,733)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(168,539,038)	(95,288,887)
Proceeds from the Sale of Investments	104,015,777	83,858,867
Income Received on Cash and Investments	5,925,577	1,296,199
<b>Net Cash Used in Investing Activities</b>	<b>(58,597,684)</b>	<b>(10,133,821)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>32,590,739</b>	<b>12,753,898</b>
Cash & Cash Equivalents - Beginning of Year	74,294,419	61,540,521
<b>Cash &amp; Cash Equivalents - End of Year</b>	<b>\$ 106,885,158</b>	<b>\$ 74,294,419</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (13,141,868)	\$ (18,480,455)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	48,800,225	47,231,773
Pension Expense Not Affecting Cash	7,535,329	3,032,565
OPEB Expense Not Affecting Cash	2,735,053	1,416,245
(Increase) Decrease in Assets:		
Accounts Receivable - Trade	732,804	(403,093)
Accounts Receivable - Other	(245,913)	260,889
Deposits, Prepaid Items, and Other	(31,470)	(284,557)
Increase (Decrease) in Liabilities:		
Accounts Payable	2,925,213	172,530
Accrued Liabilities	(3,019,293)	1,643,217
Customer Deposits	(3,202)	5,192
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 46,286,878</b>	<b>\$ 34,594,306</b>
<b>SUPPLEMENTAL INFORMATION</b>		
<b>Noncash Related Activities:</b>		
Change in Fair Value of Investments	\$ 1,054,275	\$ (96,093)

See accompanying notes to the financial statements

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## Notes to Financial Statements

December 31, 2019

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.

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### 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 (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 of 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, 2019, 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.

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## Note 2 - Summary of Significant Accounting Policies

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### 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, 2019 and 2018. 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 represents 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 consists 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** — 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, 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 as defined by GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation." At December 31, 2018, \$30,184,924 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, 2019, \$48,776,555 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, 2018, \$59,060,429 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 \$10,000 or more, and with a useful life of more than 1 year. 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 12/31/2018	Additions	Deletions	Transfers	Total 12/31/2019
<b>DEPRECIABLE CAPITAL ASSETS:</b>					
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
<b>Total Depreciable Capital Assets</b>	<b>1,307,941,490</b>	<b>43,275,557</b>	<b>(37,265,860)</b>	<b>14,439,487</b>	<b>1,328,390,674</b>
<b>LESS ACCUMULATED DEPRECIATION:</b>					
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
<b>Total Accumulated Depreciation</b>	<b>676,638,550</b>	<b>48,800,224</b>	<b>(15,969,580)</b>	<b>-</b>	<b>709,469,194</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 631,302,940</b>	<b>\$ (5,524,667)</b>	<b>\$ (21,296,280)</b>	<b>\$ 14,439,487</b>	<b>\$ 618,921,480</b>
<b>NONDEPRECIABLE CAPITAL ASSETS:</b>					
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
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 129,242,471</b>	<b>\$ 47,461,110</b>	<b>\$ (1,705,940)</b>	<b>\$ (14,439,487)</b>	<b>\$ 160,558,154</b>

	Total 12/31/2017	Additions	Deletions	Transfers	Total 12/31/2018
<b>DEPRECIABLE CAPITAL ASSETS:</b>					
Buildings	\$ 474,260,689	\$ 357,438	\$ (3,500)	\$ 2,849,545	\$ 477,464,172
Runways & Other	694,787,246	66,296	(6,000)	31,150,140	725,997,682
Machinery	91,905,439	10,847,294	(1,080,918)	-	101,671,815
Furniture	2,669,074	139,902	(1,155)	-	2,807,821
<b>Total Depreciable Capital Assets</b>	<b>1,263,622,448</b>	<b>11,410,930</b>	<b>(1,091,573)</b>	<b>33,999,685</b>	<b>1,307,941,490</b>
<b>LESS ACCUMULATED DEPRECIATION:</b>					
Buildings	189,617,899	11,677,525	(525)	-	201,294,899
Runways & Other	381,449,164	27,918,588	(300)	-	409,367,452
Machinery	56,886,278	7,567,256	(1,000,437)	-	63,453,097
Furniture	2,455,854	68,403	(1,155)	-	2,523,102
<b>Total Accumulated Depreciation</b>	<b>630,409,195</b>	<b>47,231,772</b>	<b>(1,002,417)</b>	<b>-</b>	<b>676,638,550</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 633,213,253</b>	<b>\$ (35,820,842)</b>	<b>\$ (89,156)</b>	<b>\$ 33,999,685</b>	<b>\$ 631,302,940</b>
<b>NONDEPRECIABLE CAPITAL ASSETS:</b>					
Land	\$ 95,088,175	\$ 319,353	\$ (125,276)	\$ -	\$ 95,282,252
Construction In Progress	30,161,781	37,798,121	-	(33,999,683)	33,960,219
<b>Total Nondepreciable Capital Assets</b>	<b>\$ 125,249,956</b>	<b>\$ 38,117,474</b>	<b>\$ (125,276)</b>	<b>\$ (33,999,683)</b>	<b>\$ 129,242,471</b>



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, 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

**A summary of the changes in compensated absences for the year ended December 31, 2018 is summarized as follows:**

	Total 12/31/2017	Additions	Payments	Total 12/31/2018	Current Portion
Compensated Absences	\$4,685,566	\$3,698,917	\$3,435,223	\$4,949,260	\$3,500,000

### 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 \$500 million and \$518 million as of December 31, 2019 and 2018, respectively. The Authority carries liability insurance coverage in the amount of approximately \$808 million as of December 31, 2019 and 2018.

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:

	2019	2018	2017
Beginning Balance	\$ 245,376	\$ 235,101	\$ 298,114
Payments	(312,228)	(318,654)	(302,104)
Claims	182,216	328,929	239,091
<b>Ending Balance</b>	<b>\$ 115,364</b>	<b>\$ 245,376</b>	<b>\$ 235,101</b>

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:

	2019	2018	2017
Beginning Balance	\$ 600,000	\$ 600,000	\$ 400,000
Accruals	4,652,429	4,847,295	4,585,720
Claims Paid	(4,652,429)	(4,847,295)	(4,385,720)
<b>Ending Balance</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>

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 year ended December 31, 2018, the Authority has adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". 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, 2020.

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, 2021 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.

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## 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, 2019 and 2018. 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, 2019 and 2018, 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, 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.

At December 31, 2018, the carrying amount of the Authority's deposits with financial institutions was \$25,562,359 and the bank balance was \$26,087,895. 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 \$25,337,895 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 2019 and 102% for 2018 to limit its exposure to custodial credit risk.

In addition, the Authority had \$20,287 and \$20,100 in cash on hand at December 31, 2019 and 2018 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, 2019, the Authority has the following recurring fair value measurements valued using significant other observable inputs including active markets (Level 2 inputs).

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

Type of Investment	Fair Value	Rating	Days to Maturity
Federal Agency Obligations & Notes	\$ 130,990,810	Aaa	707
Certificates of Deposit	6,290,404	-	1,293
Commercial Paper	42,768,141	P-1	74
<b>Total</b>	<b>\$ 180,049,355</b>		

As of December 31, 2018, the Authority has the following recurring fair value measurements valued using significant other observable inputs including active markets (Level 2 inputs).

**Investments and maturities as of December 31, 2018, are summarized below:**

Type of Investment	Fair Value	Rating	Days to Maturity
Federal Agency Obligations & Notes	\$ 94,720,171	Aaa	513
Commercial Paper	20,805,923	P-1	133
<b>Total</b>	<b>\$ 115,526,094</b>		

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. The Authority's unrestricted and restricted cash and cash equivalents included \$12,885,098 of money market funds, and \$35,760,314 of STAR Ohio funds as of December 31, 2018. 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 fair 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 fair 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, 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, 2019 and 2018, 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, 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, 2019 and 2018:

	2019	2018
<b>CASH AND INVESTMENTS:</b>		
Restricted for Customer Facility Charge	\$ 48,776,555	\$ 59,060,429
Restricted for Passenger Facility Charge	44,132,140	30,184,924
Restricted for Debt Service	21,991,923	13,584,254
Restricted for CFC Bond Proceeds	69,490,479	-
Retainages on Construction Contracts	3,027,475	1,332,729
<b>Total Restricted Cash &amp; Investments</b>	<b>\$ 187,418,572</b>	<b>\$ 104,162,336</b>

## Note 5 - Receivables

The following amounts represent receivables due to the Authority at December 31, 2019 and 2018:

	2019	2018
<b>UNRESTRICTED</b>		
Current:		
Accounts Receivable - Trade	\$ 9,789,166	\$ 10,439,818
Accounts Receivable - Capital Grants	5,938,211	3,523,318
Less Allowance for Uncollectables	(161,881)	(79,729)
<b>Total Current Unrestricted Trade Receivables</b>	<b>15,565,496</b>	<b>13,883,407</b>
Accounts Receivable - Other	1,889,162	1,683,896
Non-Current:		
Accounts Receivable - Other	357,739	317,092
<b>Total Unrestricted Receivables</b>	<b>\$ 17,812,397</b>	<b>\$ 15,884,395</b>

## 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 \$17,394,696 at a rate of approximately 1.86% at December 31, 2019 and \$9,658,562 at a rate of approximately 2.47% as of December 31, 2018.

**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
<b>Total</b>	<b>\$ 9,658,562</b>	<b>\$ 7,736,134</b>	<b>\$ -</b>	<b>\$ 17,394,696</b>	<b>\$ 17,394,696</b>

**Credit Facility Agreement information and activity as of and for the year ended December 31, 2018 is presented below:**

	Total 12/31/2017	Additions	Payments	Total 12/31/2018	Current Portion
Series 2018A	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000
Series 2018B	-	9,533,562	-	9,533,562	9,533,562
Series 2012B	9,500,000	-	9,500,000	-	-
<b>Total</b>	<b>\$ 9,500,000</b>	<b>\$ 9,658,562</b>	<b>\$ 9,500,000</b>	<b>\$ 9,658,562</b>	<b>\$ 9,658,562</b>



## Note 7 - Unearned Income

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
<b>Total</b>	<b>\$ 2,343,728</b>	<b>\$ 144,870</b>	<b>\$ 250,003</b>	<b>\$ 2,238,595</b>	<b>\$ 403,028</b>

Unearned income activity for the year ended December 31, 2018 is summarized as follows:

	Total 12/31/2017	Additions	Payments	Total 12/31/2018	Current Portion
Unearned Rent -					
Net Discount	\$ 2,114,600	\$ 92,947	\$ 209,704	\$ 1,997,843	\$ 45,289
Advance Grants & Other	318,241	21,916	(5,728)	345,885	345,885
<b>Total</b>	<b>\$ 2,432,841</b>	<b>\$ 114,863</b>	<b>\$ 203,976</b>	<b>\$ 2,343,728</b>	<b>\$ 391,174</b>

## 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, 2019 are \$2,612,730. Revenue bonds payable at December 31, 2018, were \$4,582,492. 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, 2019 are \$803,257. Revenue bonds payable at December 31, 2018 were \$1,329,959. 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, 2019 are \$30,019,638. Revenue bonds payable at December 31, 2017 were \$32,608,201. 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, 2019 are \$27,428,640. Revenue bonds payable at December 31, 2018 were \$32,495,965. 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, 2019, the net revenue was \$37.8 million compared to the net debt service (principal and interest) of \$14.1 million.

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

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
<b>BONDS:</b>				
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
	<b>\$ 60,864,265</b>			<b>\$ 50,522,444</b>

Airport refunding revenue bond and loan activity for the year ended December 31, 2018 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
<b>BONDS:</b>				
2013A	\$ 6,519,790	\$ -	\$ (1,937,298)	\$ 4,582,492
2013B	1,847,980	-	(518,021)	1,329,959
2015	35,133,422	-	(2,525,221)	32,608,201
2016	37,481,915	-	(4,985,950)	32,495,965
	80,983,107	\$ -	\$ (9,966,490)	71,016,617
Less: Current Portion	9,966,491			10,152,352
	<b>\$ 71,016,616</b>			<b>\$ 60,864,265</b>

Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2019 are as follows:

	Principal	Interest
2020	\$ 10,341,822	\$ 1,047,344
2021	10,594,986	824,480
2022	10,675,306	623,955
2023	10,252,571	503,823
2024	2,929,920	431,980
2025-2029	15,789,576	1,016,989
2030	280,084	579
<b>Total</b>	<b>\$ 60,864,265</b>	<b>\$ 4,449,150</b>

### 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, 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, 2019, 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, 2019 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
<b>BONDS:</b>				
2019	\$ -	\$ 94,325,000	\$ -	\$ 94,325,000
	-	<b>\$ 94,325,000</b>	-	94,325,000
Less: Current Portion	-			-
	<b>\$ -</b>			<b>\$ 94,325,000</b>

Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2019 are as follows:

	Principal	Interest
2020	\$ -	\$ 3,669,546
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
2025-2029	12,095,000	16,364,205
2030-2034	14,410,000	14,044,088
2035-2039	17,465,000	10,986,337
2040-2044	21,370,000	7,082,453
2045-2048	20,560,000	2,202,376
<b>Total</b>	<b>\$ 94,325,000</b>	<b>\$ 68,686,026</b>

## 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

Ohio Public Employees  
Retirement System

277 East Town Street  
Columbus, Ohio 53215

(800) 222-7377  
[www.opers.org](http://www.opers.org)

information, information about the OPEB plan's fiduciary net position, and the Plan Statement with OPEB plan details. The reports may be obtained by contacting:

### Funding Policy

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0% in 2019 and 0% in 2018. Employer contributions as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for both 2019 and 2018 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, 2019 and 2018.

### Net OPEB Liability

At December 31, 2019, the Authority reported a liability for its proportionate share of the net OPEB liability of OPERS. For December 31, 2019, the net OPEB liability was measured as of December 31, 2018 for the OPERS plan. The proportionate share of the net OPEB liability of earlier years has been reported as a restatement of beginning net position in the Statements of Revenues, Expenses and Changes in Net Position. The total net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. 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.

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, 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	-
<b>Total</b>	<b>\$ 1,931,064</b>	<b>\$ 66,811</b>

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
2020	\$	882,566
2021		227,078
2022		185,937
2023		568,672
2024		-
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>1,864,253</b>

### Actuarial Assumptions

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

#### Actuarial Information

Actuarial Valuation Date  
 Rolled-Forward Measurement Date

Experience Study

Actuarial Cost Method

Actuarial Assumptions

Single Discount Rate

Investment Rate of Return

Municipal Bond Rate

Wage Inflation

Projected Salary Increases

Health Care Cost Trend Rate

#### OPEB

December 31, 2017

December 31, 2018

5-Year Period Ended  
 December 31, 2015

Individual entry age normal

3.96%

6.00%

3.71%

3.25%

3.25% - 10.75%

(includes wage inflation at 3.25%)

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, 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 2018 and the expected real rates of return.

Asset Class	Target Allocation	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
<b>Total</b>	<b>100.00%</b>	<b>5.16%</b>

## Discount Rate

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

## Sensitivity to Changes in the Discount Rate

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 table 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:

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 2019 is 10.00%. 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 3.25% in the most recent valuation.



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## Note 10 - Pension and Retirement Plans

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### 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 December 31, 2018 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 December 31, 2019. 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 2019 and 2018 member contribution rate for State and Local members was 10.0% of covered payroll. The 2019 and 2018 member contribution rate for the Law Enforcement division was 13.0% of covered payroll.

The contribution rate for State and Local employers in 2019 and 2018 was 14.0%. The contribution rate for Law Enforcement divisions in 2019 and 2018 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 \$3,819,472 for fiscal year 2019, which is reported as a deferred outflow of resources. The Authority's contractually required contribution to OPERS was \$4,008,097 for fiscal year 2018, 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, 2018 and 2017, 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, 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%	0.359980%	
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, 2018, 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	0.169412%	0.356141%	0.374346%	
Proportion of the Net Liability/ (Asset)	\$ 26,577,458	\$ (484,823)	\$ (13,065)	\$ 26,079,570
Pension Expense	\$ 3,533,193	\$ 228,094	\$ 246,811	\$ 4,008,098

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member-Directed	Total
<b>Deferred Outflows of Resources</b>				
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
<b>Total Deferred Outflows of Resources</b>	<b>\$ 16,332,750</b>	<b>\$ 386,301</b>	<b>\$ 252,444</b>	<b>\$ 16,971,495</b>

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member-Directed	Total
<b>Deferred Inflows of Resources</b>				
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
<b>Total Deferred Inflows of Resources</b>	<b>\$ 731,916</b>	<b>\$ 132,851</b>	<b>\$ 2,207</b>	<b>\$ 866,974</b>

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<b>OPERS Traditional Pension Plan</b>	<b>OPERS Combined Plan</b>	<b>OPERS Member-Directed</b>	<b>Total</b>
Difference Between Expected and Actual Experience	\$ 27,142	\$ -	\$ 25,412	\$ 52,554
Net Difference Between Expected and Actual Investment Earnings	-	-	-	-
Changes in Assumptions	3,176,184	42,368	1,549	3,220,101
Change in Proportionate Share	420,714	10,891	2,220	433,825
	3,624,040	53,259	29,181	3,706,480
Authority's Contribution Subsequent to the Measure Date - All Plans	3,533,192	228,094	246,811	4,008,097
<b>Total Deferred Outflows of Resources</b>	<b>\$ 7,157,232</b>	<b>\$ 281,353</b>	<b>\$ 275,992</b>	<b>\$ 7,714,577</b>

<b>Deferred Inflows of Resources</b>	<b>OPERS Traditional Pension Plan</b>	<b>OPERS Combined Plan</b>	<b>OPERS Member-Directed</b>	<b>Total</b>
Difference Between Expected and Actual Experience	\$ 523,758	\$ 144,432	\$ -	\$ 668,190
Net Difference Between Expected and Actual Investment Earnings	5,705,830	76,493	3,681	5,786,004
Changes in Assumptions	-	-	-	-
Change in Proportionate Share	90,056	1,314	2,207	93,577
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,319,644</b>	<b>\$ 222,239</b>	<b>\$ 5,888</b>	<b>\$ 6,547,771</b>

Contributions of \$3,819,472 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, 2020. 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	
2020	\$	5,299,888	\$	18,415	\$	5,773
2021		2,675,508		4,556		5,288
2022		1,105,248		6,019		5,372
2023		3,085,659		27,739		6,458
2024		-		(780)		4,799
Thereafter		-		21,989		13,118
<b>Total</b>	<b>\$</b>	<b>12,166,303</b>	<b>\$</b>	<b>77,938</b>	<b>\$</b>	<b>40,808</b>

For the year ended December 31, 2019 and 2018, the Authority had \$395,036, and \$579,898, respectively due to the Plan for contractually required contributions.

**Actuarial Assumptions - OPERS**

The total pension liability in the December 31, 2018 and 2017 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 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 Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3% Simple Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3% Simple 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, 2018 and 2017 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 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%
<b>Total</b>	<b>100.00%</b>	<b>5.95%</b>

The following table displays the Board-approved Asset allocation policy for 2017 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%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate Private	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	18.00%	5.26%
<b>Total</b>	<b>100.00%</b>	<b>5.66%</b>

## Discount Rate

The discount rate used to measure the total pension liability was 7.2% and 7.5% for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan as of December 31, 2018 and 2017 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%	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](http://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.

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## Note 11 - Capital Contributions

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

	2019	2018
Federal	\$ 11,560,066	\$ 7,892,030
State & Local	2,100,000	542,563
<b>Total</b>	<b>\$ 13,660,066</b>	<b>\$ 8,434,593</b>

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## Note 12 - Commitments and Contingencies

### Capital Improvements

As of December 31, 2019, the Authority was obligated for completion of certain airport improvements under commitments of approximately \$100.9 million. An estimated \$1.5 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, RCFCs, 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, 2019, 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.

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## 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, 2019 are \$454,226,065 and \$246,508,661, respectively. The cost and net book value of property held for operating leases as of December 31, 2018 are \$482,224,528 and \$275,312,803, respectively.



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

2020	\$	20,267,674
2021		24,650,547
2022		22,599,760
2023		20,724,333
2024		20,288,618
2025 - 2029		52,077,321
2030 - 2034		44,730,548
2035 - 2039		39,691,127
2040 - 2044		37,854,653
2045 - 2049		35,841,436
2050 - 2054		14,074,215
2055 - 2059		4,133,149
2060 - 2064		3,655,770
2065 - 2069		658,112
<b>Total</b>	<b>\$</b>	<b>341,247,263</b>

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

Contingent operating revenue aggregated approximately \$38,000,000, and \$31,000,000, respectively, in 2019 and 2018.

## 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 are to be paid to the Authority by December 31, 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.

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## Note 15 - Conduit Debt - Private Sector Entities

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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, 2019 and 2018, there were 8 series of bonds outstanding with aggregate principal balances of \$103,549,320 and \$132,449,798, respectively. The original issue amounts for these series totaled \$528,172,079.

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

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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, 2019 and 2018, there were 2015 series of bonds outstanding with aggregate principal balances of \$51,175,000 and \$73,600,000 respectively. The original issue amounts for these 2015 series totaled \$75,000,000.

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## Note 17 – Reclassifications

Certain reclassifications related to Investment Income were made to the 2018 Statements of Revenues, Expenses and Changes in Net Position. The reclassifications were as follows:

The investment income portion of the Rental Car Facility Charges and the Passenger Facility Charges were reclassified to Investment Income – CFC and Investment Income respectively. Investment Income includes investment income from other sources in addition to investment income related to Passenger Facility Charges.

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## Note 18 – Changes in Accounting Principles

For 2018, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Statement No. 75 requires governments providing other postemployment benefit (OPEB) plans to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). In accordance with the statements, the Authority has reported a change in accounting principle adjustment to unrestricted net position of \$18,607,856, which is the net of the net OPEB liability and related deferred outflows of resources as of January 1, 2019. December 31, 2018 amounts have not been restated to reflect the impact of GASB No. 75 because the information is not available to calculate the impact on OPEB expense for the fiscal year ended December 31, 2017.

Net Position, December 31, 2017 – As previously stated	\$ 803,885,797
Authority Share of Beginning Plan Net Pension Liability	(18,607,856)
<b>Net Position, December 31, 2017 – As restated</b>	<b>\$ 785,277,941</b>

## Required *Supplementary Information*

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

For the Years Ended December 31

	2019	2018	2017	2016	2015
<b>Traditional Pension Plan</b>					
Authority's proportion of the net pension liability (asset)	0.178483%	0.169412%	0.170272%	0.161166%	0.158207%
Authority's proportionate share of the net pension liability (asset)	\$ 48,882,875	\$ 26,577,458	\$ 38,665,876	\$ 27,915,973	\$ 19,081,519
Authority's covered payroll	23,965,155	24,569,536	18,866,692	18,472,175	19,380,362
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	203.97%	108.17%	204.94%	151.12%	103.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	74.70%	84.66%	77.25%	81.19%	86.45%
<b>Combined Plan</b>					
Authority's proportion of the net pension liability (asset)	0.288009%	0.356141%	0.374223%	0.379940%	0.373312%
Authority's proportionate share of the net pension liability (asset)	\$ (322,059)	\$ (484,823)	\$ (208,281)	\$ (184,887)	\$ (143,734)
Authority's covered payroll	1,547,127	1,625,993	1,248,584	1,282,687	1,299,195
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-20.82%	-29.82%	-16.68%	-14.41%	-11.21%
Plan fiduciary net position as a percentage of the total pension liability (asset)	126.64%	137.28%	116.55%	116.90%	114.83%
<b>Member-Directed Plan</b>					
Authority's proportion of the net pension liability (asset)	0.359978%	0.374346%	0.414439%	0.344976%	0.000000%
Authority's proportionate share of the net pension liability (asset)	\$ (8,202)	\$ (13,065)	\$ (1,726)	\$ -	\$ -
Authority's covered payroll	1,674,082	2,000,829	1,536,413	1,751,680	1,575,870
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.49%	-0.65%	-0.11%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.42%	124.46%	103.40%	103.91%	0.00%

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

### For the Years Ended December 31

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Traditional Pension Plan</b>										
Contractually Required Contribution	\$ 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	\$ 2,197,533
Contributions in Relation to the Contractually Required Contribution	\$ (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)	\$ (2,197,533)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 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	\$ 15,696,673
Contributions as a Percentage of Covered Payroll	14.02%	14.74%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<b>Combined Plan</b>										
Contractually Required Contribution	\$ 175,512	\$ 228,094	\$ 227,639	\$ 174,802	\$ 179,576	\$ 181,887	\$ 179,158	\$ 142,705	\$ 124,371	\$ 101,041
Contributions in Relation to the Contractually Required Contribution	\$ (175,512)	\$ (228,094)	\$ (227,639)	\$ (174,802)	\$ (179,576)	\$ (181,887)	\$ (179,158)	\$ (142,705)	\$ (124,371)	\$ (101,041)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 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	\$ 721,720
Contributions as a Percentage of Covered Payroll	14.71%	14.74%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<b>Member-Directed Plan</b>										
Contractually Required Contribution	\$ 209,429	\$ 246,811	\$ 280,116	\$ 215,098	\$ 245,235	\$ 220,622	\$ 212,461	\$ 183,972	\$ 125,219	\$ 73,997
Contributions in Relation to the Contractually Required Contribution	\$ (209,429)	\$ (246,811)	\$ (280,116)	\$ (215,098)	\$ (245,235)	\$ (220,622)	\$ (212,461)	\$ (183,972)	\$ (125,219)	\$ (73,997)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 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	\$ 528,549
Contributions as a Percentage of Covered Payroll	14.71%	14.74%	14.00%	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**

	<b>2019</b>		<b>2018</b>
Authority's proportion of the net pension liability (asset)	0.188864%		0.184230%
Authority's proportionate share of the net pension liability (asset)	\$ 24,623,407	\$	20,006,021
Authority's covered payroll	\$ 27,186,364	\$	27,196,357
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	90.57%		70.95%
Plan fiduciary net position as a percentage of the total pension liability (asset)	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**

	<b>2019</b>		<b>2018</b>
Contractually Required Contribution	\$ -	\$	-
Contributions in Relation to the Contractually Required Contribution	\$ -	\$	-
Contribution Deficiency (Excess)	\$ -	\$	-
Authority Covered Payroll	\$ 27,120,519	\$	27,186,364
Contributions as a Percentage of Covered Payroll	0.00%		0.00%

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

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## Notes to Schedules of Required Supplementary Information

December 31, 2019

### Note A

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, 2019 and 2018, respectively.

Changes in assumptions: The change in the actuarial information as of the measurement and valuation date of December 31, 2018 compared to December 31, 2017 included an increase in the investment rate of return from 7.20 percent to 7.50 percent.

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 2018. The 2019 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, 2019 and 2018, respectively.

Changes in assumptions: There were no changes in benefit terms from the amounts reported for the Plan year 2018. The change in the actuarial information as of the measurement and valuation date of December 31, 2018 compared to December 31, 2017 included an increase in the single discount rate from 3.85 percent to 3.96 percent, a decrease in the investment rate of return from 6.5 percent to 6.00 percent, increase in the municipal bond rate from 3.31 percent to 3.71 percent, and increase in the health care cost trend rate from 7.50 percent initial, 3.25 percent ultimate in 2028 to 10.00 percent initial, 3.25 percent ultimate in 2029.

## Other *Supplementary Information*

### **Schedule of Revenues and Expenses: Budget vs. Actual-Budget Basis** For the Year Ended December 31, 2019

	Budget (Unaudited)	Actual	Variance to Budget
<b>OPERATING REVENUES</b>			
Parking Revenue	\$ 38,991,799	\$ 42,943,630	\$ 3,951,831
Airline Revenue	38,246,935	36,297,212	(1,949,723)
Concession Revenue	24,362,680	26,790,921	2,428,241
Cargo Operations Revenue	7,632,138	7,893,292	261,154
Hotel Operations Revenue	4,640,236	4,856,086	215,850
General Aviation Revenue	3,467,566	3,919,115	451,549
Foreign Trade Zone Fees	307,500	307,500	-
Other Revenue	6,020,195	6,257,955	237,760
<b>Total Operating Revenues</b>	<b>123,669,049</b>	<b>129,265,711</b>	<b>5,596,662</b>
<b>OPERATING EXPENSES</b>			
Employee Wages & Benefits	39,551,328	48,136,938	(8,585,610)
Purchase of Services	37,060,570	37,064,268	(3,698)
Materials & Supplies	5,247,946	5,655,157	(407,211)
Hotel Services	2,593,909	2,668,839	(74,930)
Other Expenses	-	82,152	(82,152)
<b>Total Operating Expenses</b>	<b>84,453,753</b>	<b>93,607,354</b>	<b>(9,153,601)</b>
Operating Income before Depreciation	39,215,296	35,658,357	(3,556,939)
Less: Depreciation	49,289,280	48,800,225	489,055
<b>Operating Loss</b>	<b>(10,073,984)</b>	<b>(13,141,868)</b>	<b>(3,067,884)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	2,337,000	3,838,831	1,501,831
Investment Income - CFC	1,440,000	1,444,181	4,181
Passenger Facility Charges	15,934,307	17,040,307	1,106,000
Rental Car Facility Charges	8,960,000	10,966,768	2,006,768
GARB Interest Expense	(1,523,715)	(1,491,231)	32,484
CFC Backed Revenue Bond Interest Expense	-	(2,433,497)	(2,433,497)
Gain (Loss) on Securities	-	1,054,275	1,054,275
Amortization of Deferred Gain on Bond Refunding	-	58,282	58,282
Bond Issuance Costs	-	(814,399)	(814,399)
Gain (Loss) on Disposal of Assets	-	(16,115,577)	(16,115,577)
Other Non-Operating Revenues	568,998	562,019	(6,979)
<b>Total Non-Operating Revenues</b>	<b>27,716,590</b>	<b>14,109,959</b>	<b>(13,606,631)</b>
<b>Income Before Capital Contributions</b>	<b>17,642,606</b>	<b>968,091</b>	<b>(16,674,515)</b>
<b>Adjustments To Reconcile GAAP Net Income Before Capital Contributions Budgeted To New Income</b>			
Loss on Securities	-	(1,054,275)	(1,054,275)
Pension & OPEB Adjustments - GASB 68 and 75	-	10,270,384	10,270,384
<b>Total Adjustments</b>	<b>-</b>	<b>9,216,109</b>	<b>9,216,109</b>
<b>Net Income Adjusted to the Budgetary Basis of Accounting</b>	<b>\$ 17,642,606</b>	<b>\$ 10,184,200</b>	<b>\$ (7,458,406)</b>



# Statistical Section

(unaudited)

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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.

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## Revenues and Expenses by Type

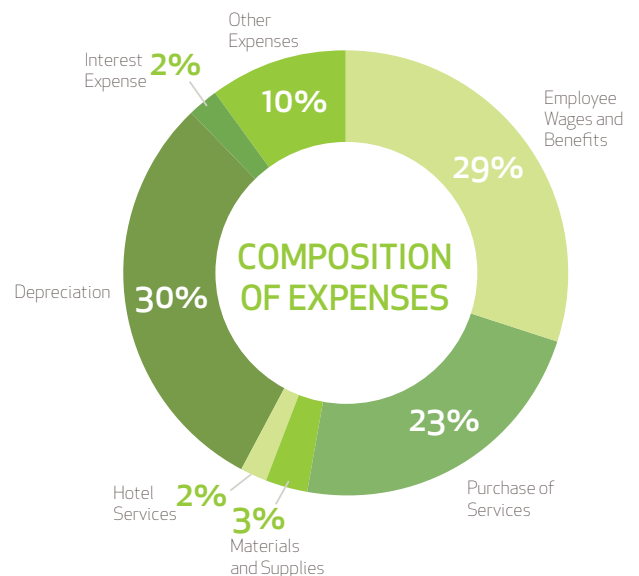
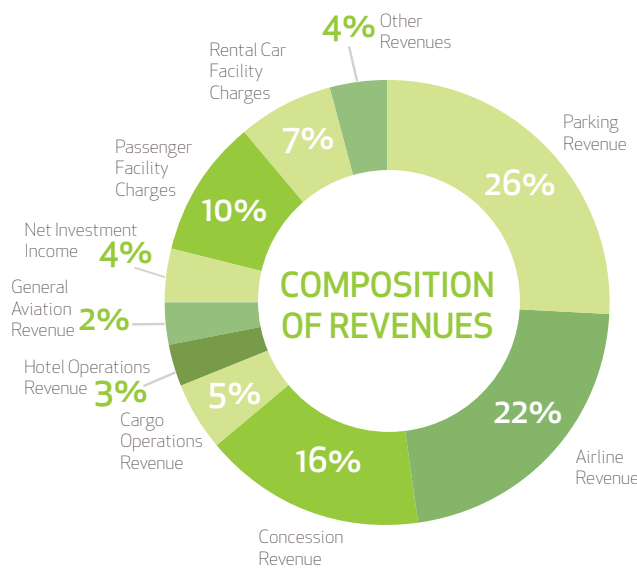
For the 10 Years Ended December 31, 2019

(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	
<b>REVENUES:</b>											
Parking Revenue	\$ 42,944	26%	\$ 38,694	\$ 36,006	\$ 34,821	\$ 32,880	\$ 30,131	\$ 28,888	\$ 27,788	\$ 27,188	\$ 25,395
Airline Revenue	36,297	22%	32,676	35,125	30,215	26,608	26,869	28,241	27,222	25,085	24,783
Concession Revenue	26,791	16%	23,151	21,800	21,791	20,122	18,937	18,091	18,578	18,276	17,486
Cargo Operations Revenue	7,893	5%	7,791	6,488	5,338	5,478	4,808	4,064	2,240	1,647	1,614
Hotel Operations Revenue	4,856	3%	4,615	4,492	4,605	4,094	1,380	-	-	-	-
General Aviation Revenue	3,919	2%	3,631	3,524	3,276	3,205	3,031	3,429	2,522	2,602	2,304
Foreign Trade Zone Fees	308	0%	310	320	326	308	363	370	380	382	378
Net Investment Income	6,337	4%	2,841	1,303	1,055	912	520	148	649	1,099	1,461
Passenger Facility Charges	17,040	10%	16,326	14,802	14,436	13,576	12,562	12,238	12,954	13,059	13,332
Rental Car Facility Charges	10,967	7%	10,451	10,035	9,205	7,374	6,285	6,445	6,072	5,337	4,679
Other Revenues	6,820	4%	13,135	6,762	12,008	4,988	3,246	4,654	7,249	5,527	7,410
<b>Total Revenues</b>	<b>164,172</b>	<b>100%</b>	<b>153,622</b>	<b>140,656</b>	<b>137,077</b>	<b>119,543</b>	<b>108,131</b>	<b>106,569</b>	<b>105,655</b>	<b>100,204</b>	<b>98,843</b>
<b>EXPENSES:</b>											
Employee Wages & Benefits	48,137	29%	43,310	42,287	37,606	33,005	32,854	33,267	31,672	30,679	30,251
Purchase of Services	37,064	23%	36,750	35,124	31,137	27,348	26,177	26,224	25,878	28,128	19,829
Materials and Supplies	5,655	3%	5,293	3,964	4,607	4,909	5,701	5,621	3,673	3,599	3,567
Hotel Services	2,669	2%	2,576	2,487	2,437	2,149	665	-	-	-	-
Depreciation	48,800	30%	47,232	46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260
Interest Expense	3,925	2%	1,708	1,782	3,477	2,747	2,846	3,718	3,929	4,136	4,425
Other Expenses	16,954	10%	(1)	(33)	296	248	296	245	202	247	256
<b>Total Expenses</b>	<b>163,204</b>	<b>100%</b>	<b>136,868</b>	<b>131,719</b>	<b>123,721</b>	<b>113,218</b>	<b>110,798</b>	<b>107,387</b>	<b>100,613</b>	<b>100,567</b>	<b>90,588</b>
<b>Income Before Capital Contributions, Specials &amp; Extraordinary Items</b>	<b>\$ 968</b>		<b>\$ 16,755</b>	<b>\$ 8,937</b>	<b>\$ 13,356</b>	<b>\$ 6,325</b>	<b>\$ (2,667)</b>	<b>\$ (818)</b>	<b>\$ 5,042</b>	<b>\$ (362)</b>	<b>\$ 8,255</b>

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

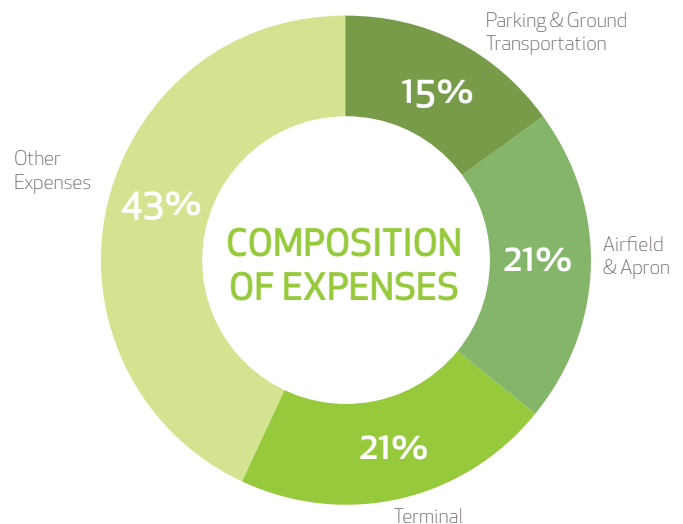
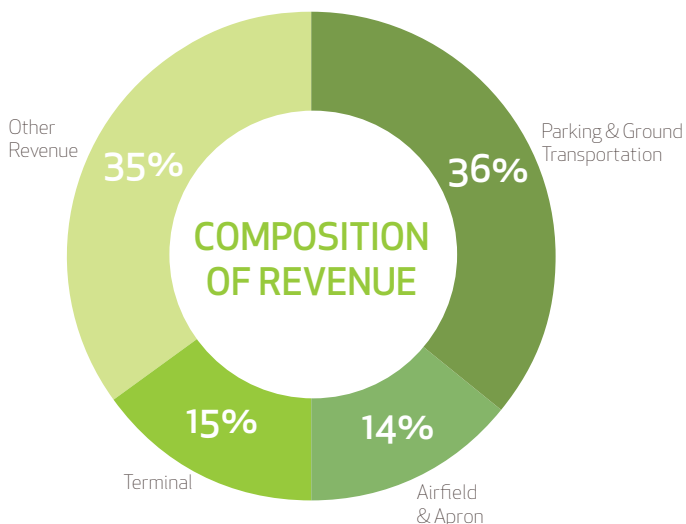
For the 10 Years Ended December 31, 2019

(dollars in thousands)

	2019		2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES:</b>											
Parking & Ground Transportation	\$ 59,365	36%	\$ 51,475	\$ 47,944	\$ 46,894	\$ 43,926	\$ 40,981	\$ 39,022	\$ 38,144	\$ 37,134	\$ 34,913
Airfield & Apron	22,589	14%	26,326	25,973	20,072	21,533	20,673	22,197	19,418	16,856	17,415
Terminal	24,464	15%	24,052	23,924	22,473	17,723	17,780	16,740	16,074	15,788	14,237
Other Revenue	56,758	35%	45,127	41,667	40,128	36,363	28,699	28,610	32,018	30,426	32,280
<b>Total Revenues</b>	<b>163,176</b>	<b>100%</b>	<b>146,980</b>	<b>139,508</b>	<b>129,567</b>	<b>119,545</b>	<b>108,133</b>	<b>106,569</b>	<b>105,654</b>	<b>100,204</b>	<b>98,845</b>
<b>EXPENSES:</b>											
Parking & Ground Transportation	16,930	15%	16,603	14,560	10,967	10,691	12,955	13,856	14,939	13,333	11,692
Airfield & Apron	23,855	21%	23,862	21,959	20,658	21,328	22,920	20,890	18,950	18,151	17,207
Terminal	23,871	21%	24,864	24,970	22,266	20,910	21,000	17,598	18,839	19,053	17,586
Other Expenses	48,752	43%	17,665	22,976	18,160	17,480	11,666	16,731	12,625	16,252	11,845
<b>Expenses Before Depreciation:</b>	<b>113,408</b>	<b>100%</b>	<b>82,994</b>	<b>84,464</b>	<b>72,051</b>	<b>70,409</b>	<b>68,541</b>	<b>69,075</b>	<b>65,353</b>	<b>66,789</b>	<b>58,330</b>
Depreciation	48,800		47,232	46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260
<b>Total Expenses</b>	<b>162,208</b>		<b>130,225</b>	<b>130,571</b>	<b>116,211</b>	<b>113,220</b>	<b>110,800</b>	<b>107,387</b>	<b>100,612</b>	<b>100,566</b>	<b>90,590</b>
<b>Income Before Capital Contributions, Special &amp; Extraordinary Items</b>	<b>\$ 968</b>		<b>\$ 16,755</b>	<b>\$ 8,937</b>	<b>\$ 13,356</b>	<b>\$ 6,325</b>	<b>\$ (2,667)</b>	<b>\$ (818)</b>	<b>\$ 5,042</b>	<b>\$ (362)</b>	<b>\$ 8,255</b>

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, 2019

(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OPERATING REVENUES</b>										
Parking Revenue	\$ 42,944	\$ 38,694	\$ 36,006	\$ 34,821	\$ 32,880	\$ 30,131	\$ 28,888	\$ 27,788	\$ 27,188	\$ 25,395
Airline Revenue	36,297	32,676	35,125	30,215	26,608	26,869	28,241	27,222	25,085	24,783
Concession Revenue	26,791	23,151	21,800	21,791	20,122	18,937	18,091	18,578	18,276	17,486
Other Revenue	23,234	22,216	19,645	17,391	16,269	12,256	9,732	7,360	6,900	6,551
<b>Total Operating Revenues</b>	<b>129,266</b>	<b>116,738</b>	<b>112,575</b>	<b>104,218</b>	<b>95,879</b>	<b>88,193</b>	<b>84,952</b>	<b>80,949</b>	<b>77,450</b>	<b>74,215</b>
<b>OPERATING EXPENSES</b>										
Employee Wages & Benefits	48,137	43,310	42,287	37,606	33,005	32,854	33,267	31,672	30,680	30,252
Purchase of Services	37,064	36,750	35,124	31,137	27,348	26,177	26,224	25,878	28,128	19,829
Materials & Supplies	5,655	5,293	3,964	4,607	4,909	5,701	5,621	3,673	3,599	3,567
Hotel Services	2,669	2,576	2,487	2,437	2,149	665	-	-	-	-
Other Expenses	82	57	25	138	63	121	60	17	61	71
<b>Total Operating Expenses</b>	<b>93,607</b>	<b>87,986</b>	<b>83,889</b>	<b>75,926</b>	<b>67,475</b>	<b>65,517</b>	<b>65,172</b>	<b>61,239</b>	<b>62,468</b>	<b>53,719</b>
<b>Operating Income</b>										
<b>Before Depreciation</b>	<b>35,658</b>	<b>28,751</b>	<b>28,686</b>	<b>28,293</b>	<b>28,404</b>	<b>22,675</b>	<b>19,781</b>	<b>19,709</b>	<b>14,981</b>	<b>20,496</b>
Less: Depreciation	48,800	47,232	46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260
<b>Operating Income (Loss)</b>	<b>(13,142)</b>	<b>(18,480)</b>	<b>(17,420)</b>	<b>(15,867)</b>	<b>(14,407)</b>	<b>(19,583)</b>	<b>(18,532)</b>	<b>(15,549)</b>	<b>(18,796)</b>	<b>(11,764)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
Investment Income	3,839	1,868	986	662	475	334	319	447	804	1,244
Investment Income - CFC	1,444	1,069	548	563	502	233	24	185	277	331
Passenger Facility Charges	17,040	16,326	14,802	14,436	13,576	12,562	12,238	12,954	13,059	13,332
Rental Car Facility Charges	10,967	10,451	10,035	9,205	7,374	6,285	6,445	6,072	5,337	4,679
Interest Expense	(1,491)	(1,708)	(1,782)	(3,477)	(2,747)	(2,846)	(3,718)	(3,929)	(4,136)	(4,425)
CFC Backed Interest Expense	(2,433)	-	-	-	-	-	-	-	-	-
Gain (Loss) on Securities	1,054	(96)	(232)	(170)	(65)	(48)	(195)	17	18	(114)
Amortization of Deferred Loss on Bond Refunding	58	58	58	(158)	(185)	(177)	(185)	(185)	(185)	(185)
Bond Issuance Cost	(814)	-	-	-	-	-	-	-	-	-
Gain (Loss) on Disposal of Assets	(16,116)	7,111	1,303	7,768	1,273	(100)	73	2,265	(2,095)	(302)
Other Non-Operating Revenues	562	155	639	395	531	672	2,712	2,766	5,354	5,458
<b>Total Non-Operating Revenues</b>	<b>14,110</b>	<b>35,235</b>	<b>26,357</b>	<b>29,223</b>	<b>20,732</b>	<b>16,916</b>	<b>17,714</b>	<b>20,592</b>	<b>18,434</b>	<b>20,018</b>
<b>Income Before Capital Contributions, Special &amp; Extraordinary Items</b>										
	968	16,755	8,937	13,356	6,325	(2,668)	(818)	5,042	(362)	8,254
Capital Contributions	13,660	8,435	11,335	19,006	2,089	15,652	14,200	45,770	34,276	22,951
<b>Increase In Net Position</b>	<b>14,628</b>	<b>25,189</b>	<b>20,272</b>	<b>32,362</b>	<b>8,414</b>	<b>12,984</b>	<b>13,382</b>	<b>50,812</b>	<b>33,914</b>	<b>31,205</b>
Net Position - Beginning of Year	810,467	803,886	783,613	751,251	758,949	745,964	732,582	681,770	647,856	616,651
Restatement for GASB 68, 71, & 75	-	(18,608)	-	-	(16,111)	-	-	-	-	-
<b>Total Net Position - End of Year</b>	<b>\$825,095</b>	<b>\$810,467</b>	<b>\$803,886</b>	<b>\$783,613</b>	<b>\$751,251</b>	<b>\$758,949</b>	<b>\$745,964</b>	<b>\$732,582</b>	<b>\$681,770</b>	<b>\$647,856</b>

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, 2019

(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>ASSETS</b>										
Current Assets - Unrestricted	81,799	73,726	71,541	75,994	50,362	62,862	63,739	69,202	43,988	49,528
Non-Current Assets										
Non-Current Assets - Unrestricted	819,325	792,401	792,554	790,591	796,510	824,373	800,274	777,004	742,633	691,267
Non-Current Assets - Restricted	187,419	104,162	83,747	70,702	66,385	22,587	22,790	26,714	28,352	47,718
<b>Total Non-Current Assets</b>	<b>1,006,743</b>	<b>896,564</b>	<b>876,302</b>	<b>861,293</b>	<b>862,895</b>	<b>846,959</b>	<b>823,064</b>	<b>803,719</b>	<b>770,985</b>	<b>738,985</b>
<b>Total Assets</b>	<b>1,088,542</b>	<b>970,290</b>	<b>947,843</b>	<b>937,287</b>	<b>913,257</b>	<b>909,821</b>	<b>886,802</b>	<b>872,921</b>	<b>814,973</b>	<b>788,513</b>
Deferred Outflows of Resources	18,903	9,187	16,904	12,027	5,728	1,286	1,462	1,648	1,833	2,018
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 1,107,444</b>	<b>\$ 979,477</b>	<b>\$ 964,746</b>	<b>\$ 949,314</b>	<b>\$ 918,985</b>	<b>\$ 911,107</b>	<b>\$ 888,265</b>	<b>\$ 874,569</b>	<b>\$ 816,806</b>	<b>\$ 790,531</b>
<b>LIABILITIES</b>										
Current Liabilities - Unrestricted	29,189	28,687	26,994	28,320	24,144	18,864	23,137	19,872	21,137	27,552
Long-Term Liabilities										
Payable from Restricted Assets - Due within 1 Year	30,764	21,144	20,151	19,388	10,961	51,952	32,138	25,927	13,068	9,848
Payable from Restricted Assets - Due more than 1 Year	221,229	110,850	113,037	116,964	132,249	81,343	87,025	96,188	100,831	105,275
<b>Total Long-Term Liabilities</b>	<b>251,993</b>	<b>131,993</b>	<b>133,189</b>	<b>136,353</b>	<b>143,211</b>	<b>133,295</b>	<b>119,163</b>	<b>122,114</b>	<b>113,899</b>	<b>115,123</b>
<b>Total Liabilities</b>	<b>281,182</b>	<b>160,680</b>	<b>160,183</b>	<b>164,673</b>	<b>167,355</b>	<b>152,158</b>	<b>142,301</b>	<b>141,987</b>	<b>135,036</b>	<b>142,675</b>
<b>Deferred Inflow of Resources</b>	<b>1,167</b>	<b>8,329</b>	<b>678</b>	<b>1,028</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>										
Net Investment in Capital Assets	676,153	679,579	667,630	660,463	649,278	632,328	636,187	616,650	593,782	533,246
Restricted:										
Passenger Facility Charges	44,132	30,185	15,593	4,568	-	-	-	-	-	23,387
Customer Facility Charges (Rental Cars)	48,777	59,060	53,968	52,899	43,189	-	-	-	-	-
Bond Reserves	21,992	13,584	13,502	12,725	22,087	20,901	20,639	25,030	24,336	23,355
<b>Total Net Position - Restricted</b>	<b>114,901</b>	<b>102,830</b>	<b>83,063</b>	<b>70,192</b>	<b>65,276</b>	<b>20,901</b>	<b>20,639</b>	<b>25,030</b>	<b>24,336</b>	<b>46,742</b>
Net Position - Unrestricted	34,042	28,059	53,193	52,958	36,697	105,719	89,138	90,902	63,652	67,868
<b>TOTAL NET POSITION</b>	<b>825,095</b>	<b>810,467</b>	<b>803,886</b>	<b>783,613</b>	<b>751,251</b>	<b>758,949</b>	<b>745,964</b>	<b>732,582</b>	<b>681,770</b>	<b>647,856</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$1,107,444</b>	<b>\$979,477</b>	<b>\$964,746</b>	<b>\$949,314</b>	<b>\$918,985</b>	<b>\$911,107</b>	<b>\$888,265</b>	<b>\$874,569</b>	<b>\$816,806</b>	<b>\$790,531</b>

Source: The Authority's Accounting Department

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

## Schedule of Insurance in Force

As of January 1, 2020

Type of Coverage	Insurer	Policy Limit	Expiration Date
<b>AIRPORT PROPERTY INSURANCE</b>			
Building & Contents Including Mobile Equipment	XL Insurance America, Inc. (AXA)	\$ 500,000,000 *	11/01/20
Builders Risk Insurance - Residence Inn	AGCS Marine Insurance Company (Allianz)	\$ 17,974,829 **	06/08/20
Builders Risk Insurance - Consolidated Rental Car Facility	Allianz Global Risk US Insurance Company	\$ 124,151,104 **	06/30/21
<b>LIABILITY INSURANCE</b>			
Aviation Liability Primary	ACE Property & Casualty Insurance Co.	\$ 100,000,000	11/01/21
Aviation Liability Excess	Underwriters at Lloyds, London (various syndicates)	\$ 650,000,000	11/01/20
Business Auto	Hudson Insurance Company	\$ 1,000,000	11/01/20
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	11/01/20
Police Professional	QBE Specialty Insurance Company	\$ 10,000,000	11/01/20
Crime	National Union Fire Insurance Company of PA	\$ 1,000,000	11/01/20
Fiduciary Liability	Federal Insurance Company	\$ 1,000,000	11/01/20
Special Crime	Federal Insurance Company	\$ 5,000,000	11/01/20
Active Shooter/Malicious Attack	Underwriters at Lloyds, London (Hiscox)	\$ 1,000,000	11/01/20
International Commercial Insurance	Vigilant Insurance Company (Chubb)	\$ 1,000,000	11/01/20
Hotel Liability Primary	State Auto Mutual Insurance Company	\$ 1,000,000	11/01/20
Hotel Liability Excess	State Auto Mutual Insurance Company	\$ 14,000,000	11/01/20
Cyber Liability	Beazley Insurance Company	\$ 5,000,000	09/16/20
<b>SURETY</b>			
Surety Bonds	CNA/Western Surety Company & Liberty Mutual	\$ 250,000	06/23/20
<b>WORKERS' COMPENSATION &amp; EMPLOYERS' LIABILITY INSURANCE</b>			
Excess Workers' Compensation & Employers' Liability Underlying Self Insured \$1,000,000	Arch Insurance Company	Statutory	11/01/20
<b>EMPLOYEE BENEFITS (HEALTH, LIFE, DENTAL)</b>			
Individual Stop Loss	Sun Life Financial	Unlimited	04/30/20
Aggregate Stop Loss	Sun Life Financial	\$ 1,000,000	04/30/20

\*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, 2019

(in thousands except outstanding debt per enplaned passenger)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OUTSTANDING DEBT BY TYPE:</b>										
Revolving Bank Loan	\$ 17,395	\$ 9,659	\$ 9,500	\$ 9,500	\$ 2,000	\$ 45,000	\$ 25,000	\$ 20,000	\$ -	\$ -
Commercial Paper Notes	-	-	-	-	-	-	-	-	5,000	5,000
General Airport Revenue Bond	60,864	71,017	80,983	90,361	108,727	74,226	79,384	88,071	92,354	96,453
Ohio Public Works Commission	-	-	-	-	-	-	74	149	223	298
CFC Revenue Bond	94,325	-	-	-	-	-	-	-	-	-
<b>Total Outstanding Debt</b>	<b>\$ 172,584</b>	<b>\$ 80,675</b>	<b>\$ 90,483</b>	<b>\$ 99,861</b>	<b>\$ 110,727</b>	<b>\$ 119,226</b>	<b>\$ 104,458</b>	<b>\$ 108,220</b>	<b>\$ 97,577</b>	<b>\$ 101,751</b>
Enplaned Passengers	4,315	4,076	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184
<b>Outstanding Debt Per Enplaned Passenger</b>	<b>\$ 40.00</b>	<b>\$ 19.79</b>	<b>\$ 23.91</b>	<b>\$ 27.29</b>	<b>\$ 32.63</b>	<b>\$ 37.57</b>	<b>\$ 33.53</b>	<b>\$ 34.09</b>	<b>\$ 30.59</b>	<b>\$ 31.96</b>

Source: The Authority's Accounting Department

## Ratios of General Airport Revenue Debt and Obligation Coverages

For the 10 Years Ended December 31, 2019

(dollars in thousands, except coverage)

Year	Gross Revenue <sup>(1)</sup>	Operating Expense <sup>(2)</sup>	Net Revenue Available for Debt & Obligation Payments	Debt Obligation Requirements			
				Principal	Interest	Total	Coverage
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
2010	\$80,500	(\$53,719)	\$26,781	\$3,795	\$4,425	\$8,220	3.26

Source: The Authority's Accounting Department

<sup>(1)</sup> 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.

<sup>(2)</sup> Direct Operating Expense excludes Depreciation.

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

**For the 10 Years Ended December 31, 2019**

(dollars in thousands, except coverage)

<b>Year</b>	<b>Transactions</b>	<b>Transaction Days</b>	<b>CFCs Collected</b>
2019	541,164	1,780,106	\$ 10,966,768
2018	522,894	1,694,319	\$ 10,451,363
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
2010	434,385	1,209,325	\$ 4,679,495

Source: The Authority's Accounting Department



## Ratios of Customer Facility Charge Debt and Obligation Coverages

For the Years Ended December 31

	2019 <sup>(2)</sup>	2018 <sup>(3)</sup>
<b>PLEDGE REVENUES</b>		
CFC Revenues	\$ 7,311,179	N/A
Interest Earned on Deposits	\$ 962,787	N/A
Concessionaire Deficiency Payment	-	N/A
<b>Total Pledged Revenues</b>	<b>\$ 8,273,966</b>	<b>N/A</b>
<b>DEPOSITS TO:</b>		
CFC Debt Service Fund	\$ 2,877,474	N/A
CFC Debt Service Reserve Fund	-	N/A
CFC Debt Service Coverage Fund	-	N/A
CFC Administrative Costs Fund	-	N/A
CFC Renewal & Replacement Fund	-	N/A
<b>Total Required Deposits</b>	<b>\$ 2,877,474</b>	<b>N/A</b>
<b>RATE COVENANT</b>		
CFC Revenues must be the greater of at least:		N/A
(i) 100% (1.00) of Deposits to Funds	2.88	N/A
(ii) 125% (1.25) of Debt Service	2.88	N/A
<b>INCLUDING DEBT SERVICE COVERAGE<sup>(1)</sup></b>		
Pledged Revenues	\$ 8,273,966	N/A
Add: Debt Service Coverage Fund	\$ 1,435,000	N/A
<b>Total Available for Debt Service</b>	<b>\$ 9,708,966</b>	<b>N/A</b>
Debt Service	\$ 2,877,474	N/A
Ratio with Debt Service Coverage Fund	3.37	N/A

Source: The Authority's Accounting Department

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> N/A = not applicable, since Bonds issued 5/2/2019.

## Capital Asset Statistics By Function

For Year Ended December 31, 2019

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	Columbus Jet
Acres (+/-):	2,271	4,298	1,307
Runways:	10L-28R: ILS, GPS 8,000 x 150 ft 10R-28L: ILS, GPS 10,113 x 150 ft	5L-23R: ILS, GPS 11,902 x 150 ft 5R-23L: ILS, GPS 12,102 x 200 ft	4-22: ILS, GPS 5,500 x 100 ft
<b>TERMINAL:</b>			
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
<b>Total - sq ft</b>	<b>899,485</b>	<b>42,451</b>	<b>6,690</b>
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	-	-
<b>APRON:</b>			
Commercial Airlines - sq ft	1,394,395	-	-
Cargo Airlines - sq ft	-	3,210,300	-
FBO - sq ft	487,900	474,100	39,600
<b>Total</b>	<b>1,882,295</b>	<b>3,684,400</b>	<b>39,600</b>
<b>PARKING:</b>			
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	-	-
<b>Total</b>	<b>14,822</b>	<b>937</b>	<b>-</b>
<b>CARGO:</b>			
Air Cargo Building - sq ft	60,000	292,915	-
<b>Total</b>	<b>60,000</b>	<b>321,235</b>	<b>-</b>

Source: The Authority's Accounting Department

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

### For the 10 Years Ended December 31, 2019

Year	Total Passenger Volume	% Change	Cargo <sup>(1)</sup>	Freight <sup>(2)</sup> (in pounds)	Mail
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
2010	6,366,191	2.1	96,055	6,919,425	2,630,001

*Source: The Authority's Business Development Department*

<sup>1)</sup>Freight carried by cargo carriers

<sup>2)</sup>Freight carried in the belly of an air carrier

**Air Commerce Trends — Rickenbacker International Airport**  
**For the 10 Years Ended December 31, 2019**

Year	Total Passenger		Cargo	
	Volume	% Change	(in pounds)	% Change
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)
2010	10,587	(19.1)	153,793,913	(2.9)

Source: The Authority's Business Development Department

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

For the 10 Years Ended December 31, 2019

(in thousands except airline cost per enplaned passenger)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Airline Cost for the Airfield Area	\$19,099	\$17,516	\$15,813	\$16,585	\$16,278	\$16,400	\$16,404	\$16,458	\$16,403	\$16,060
Airline Cost for the Terminal Building	17,258	17,803	16,610	15,044	13,513	12,735	11,977	12,014	11,007	9,820
Airline Cost for the Aircraft Parking Area	4,170	4,428	4,072	3,996	3,894	3,880	3,732	3,404	2,913	2,639
General Airline Credit	(5,485)	(5,722)	(5,884)	(5,638)	(4,804)	(7,377)	(4,461)	(4,431)	(5,853)	(3,953)
Supplemental Airline Credit	(1,750)	(1,750)	(1,000)	(3,750)	(3,250)	-	-	-	-	-
<b>Total Airline Cost</b>	<b>\$33,292</b>	<b>\$32,275</b>	<b>\$29,611</b>	<b>\$26,237</b>	<b>\$25,631</b>	<b>\$25,638</b>	<b>\$27,652</b>	<b>\$27,445</b>	<b>\$24,470</b>	<b>\$24,566</b>
Enplanements	4,315	4,076	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184
<b>Airline Cost per Enplaned Passenger</b>	<b>\$7.72</b>	<b>\$7.92</b>	<b>\$7.82</b>	<b>\$7.17</b>	<b>\$7.55</b>	<b>\$8.08</b>	<b>\$8.88</b>	<b>\$8.64</b>	<b>\$7.67</b>	<b>\$7.72</b>

Source: The Authority's Accounting Department

NOTE: The Authority negotiated a five-year agreement effective January 1, 2015 through December 31, 2019. 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, 2019

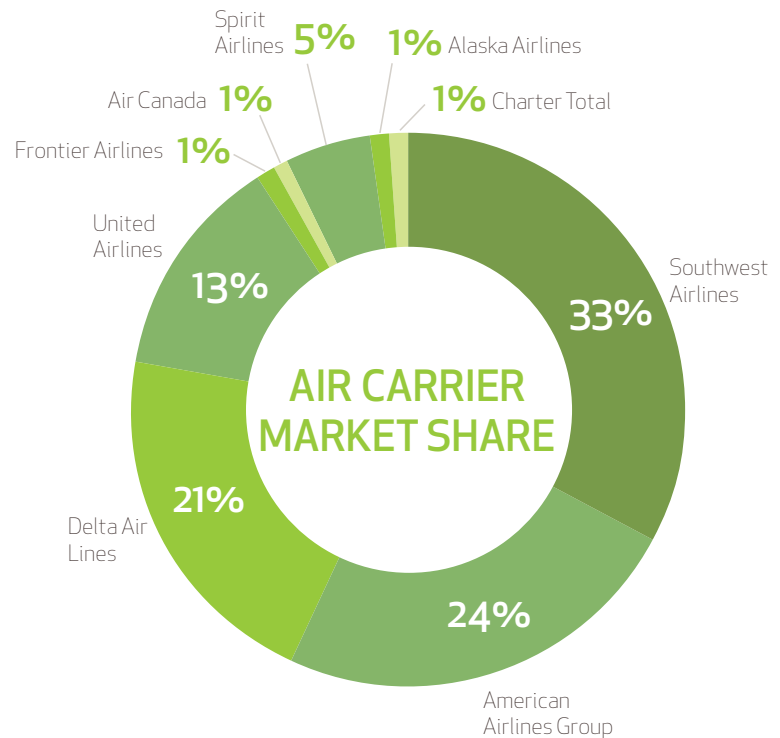
	Market Share Percentage 2019	Total Airline Passengers 2019	TOTAL AIRLINE PASSENGERS								
			2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>1 Southwest Airlines</b> Airtran Airways <sup>(1)</sup>	33.0%	2,851,702	2,890,907	2,752,826	2,645,139	2,377,201	2,033,400	1,651,723	1,783,944	1,796,696	1,713,855
		-	-	-	-	-	77,415	423,509	381,670	380,337	394,338
<b>2 American Airlines Group</b>	23.8%	2,053,530	1,872,685	1,844,684	1,859,983	1,853,766	-	-	-	-	-
American Airlines <sup>(2)</sup>		-	-	-	-	-	936,617	815,779	824,959	787,556	746,322
US Airways <sup>(2)</sup>		-	-	-	-	-	935,069	944,344	905,789	946,018	952,168
<b>3 Delta Air Lines</b>	21.4%	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	1,430,551
<b>4 United Airlines</b> Continental <sup>(3)</sup>	13.1%	1,127,247	1,003,910	947,266	960,786	917,109	835,235	886,253	904,514	543,080	554,292
		-	-	-	-	-	-	-	-	340,083	423,108
<b>5 Frontier Airlines</b>	1.3%	113,259	162,034	288,602	150,504	-	472	19,113	14,516	80,860	98,673
<b>6 Air Canada</b>	0.9%	73,230	73,466	68,992	65,461	52,704	43,632	39,435	33,805	35,607	32,690
<b>7 Spirit Airlines</b>	5.2%	450,710	352,647	-	-	-	-	-	-	-	-
<b>8 Alaska Airlines</b>	0.9%	74,366	-	-	-	-	-	-	-	-	-
<b>Commercial Total</b>	<b>99.5%</b>	<b>8,595,957</b>	<b>8,100,140</b>	<b>7,535,077</b>	<b>7,288,030</b>	<b>6,758,334</b>	<b>6,332,823</b>	<b>6,205,829</b>	<b>6,331,937</b>	<b>6,362,406</b>	<b>6,345,997</b>
Scheduled Charter	0.1%	5,973	8,634	7,662	6,596	10,593	9,881	11,157	7,847	7,409	6,840
Non-Scheduled Charter	0.4%	35,178	32,882	33,853	29,554	27,466	13,322	7,362	10,662	8,907	13,354
<b>Charter Total</b>	<b>0.5%</b>	<b>41,151</b>	<b>41,516</b>	<b>41,515</b>	<b>36,150</b>	<b>38,059</b>	<b>23,203</b>	<b>18,519</b>	<b>18,509</b>	<b>16,316</b>	<b>20,194</b>
<b>Total Passengers</b>	<b>100.0%</b>	<b>8,637,108</b>	<b>8,141,656</b>	<b>7,576,592</b>	<b>7,324,180</b>	<b>6,796,393</b>	<b>6,356,026</b>	<b>6,224,348</b>	<b>6,350,446</b>	<b>6,378,722</b>	<b>6,366,191</b>

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

<sup>(1)</sup> AirTran Airways merged with Southwest in December 2014.

<sup>(2)</sup> American Airways and US Airways merged in October 2015 to form American Airlines Group.

<sup>(3)</sup> Continental was merged into United in March 2012.



## Top Ten Customers

For Year Ended December 31, 2019

	2019 % of Operating Revenue	2019 Revenue	2010 Revenue
Southwest Airlines	7.2%	\$ 9,355,000	\$ 7,613,000
American Airlines Group	6.7%	8,644,000	4,448,000
Delta Air Lines	5.9%	7,645,000	4,130,000
United Airlines	3.9%	5,008,000	2,994,000
Avis Budget Car Rental LLC	2.7%	3,455,000	3,127,000
HMS Host	2.2%	2,907,000	1,776,000
EAN Holdings	2.2%	2,887,000	2,268,000
Uber	2.0%	2,599,000	-
Byers Rent A Car	1.8%	2,297,000	2,378,000
Spirit Airlines	1.7%	2,253,000	-
Remainder	63.6%	82,214,000	45,481,000
<b>Total Operating Revenue</b>	<b>100.0%</b>	<b>\$ 129,266,000</b>	<b>\$ 74,215,000</b>

## Budgeted Employees By Department

### For the 10 Years Ended December 31, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration, Legal & Communications	24	25	25	25	23	21	21	17	20	22
Airfield Services	86	87	87	95	107	112	105	105	102	101
Business Development & Real Estate	13	16	16	16	15	14	14	13	13	16
Asset Management	11	17	16	14	14	13	11	8	8	6
Facilities & Custodial	112	115	116	115	115	114	117	112	107	101
Finance & Accounting	16	16	17	17	17	18	18	22	18	17
Human Resources	11	13	11	11	9	10	10	9	7	3
Technologies	22	26	25	25	22	22	22	18	10	9
Airfield Operations	42	44	36	35	34	34	30	29	28	27
Parking & Ground Transportation	11	12	12	12	12	13	13	13	14	11
Planning & Construction Administration	28	27	25	24	21	21	21	26	24	21
Public Safety	63	63	64	60	60	63	66	69	70	70
<b>Total</b>	<b>439</b>	<b>461</b>	<b>450</b>	<b>449</b>	<b>449</b>	<b>455</b>	<b>448</b>	<b>441</b>	<b>421</b>	<b>404</b>

Source: The Authority's Payroll Department



## Largest Employers in the Greater Columbus Area

Ranked by number of full-time employees

	% of Total 2018 Employment	2018	% of Total 2010 Employment	2010
1 The Ohio State University	3.06%	33,335	2.40%	23,093
2 OhioHealth	2.18%	23,836	0.81%	7,810
3 State of Ohio	1.96%	21,342	2.66%	25,608
4 JPMorgan Chase & Co.	1.69%	18,400	1.76%	16,975
5 Nationwide Insurance	1.15%	12,500	1.17%	11,235
6 Nationwide Children's Hospital	1.00%	10,875	0.44%	4,278
7 Kroger Co.	0.97%	10,563	0.56%	5,417
8 City of Columbus	0.82%	8,963	0.80%	7,739
9 Mount Carmel Health System	0.80%	8,776	0.59%	5,701
10 L Brands	0.79%	8,616	0.54%	5,200
11 Honda North America Inc.	0.71%	7,700	0.73%	7,000
12 Franklin County	0.56%	6,150	0.66%	6,321
13 Cardinal Health Inc.	0.47%	5,075	0.42%	4,030
14 Huntington Bancshares Inc.	0.45%	4,921	0.43%	4,170
15 Amazon	0.44%	4,828	0.00%	-
16 Alliance Data	0.40%	4,396	0.21%	2,030
17 American Electric Power Company Inc.	0.39%	4,294	0.37%	3,527
18 Giant Eagle Inc.	0.31%	3,386	0.17%	1,600
19 Abercrombie & Fitch Co.	0.25%	2,700	0.81%	7,770
20 South-Western City School District	0.25%	2,688	0.00%	-
21 Wendy's Company	0.21%	2,338	0.00%	-
22 Discover Financial Services LLC	0.21%	2,283	0.00%	-
23 XPOLogistics	0.21%	2,246	0.00%	-
24 YMCA of Central Ohio	0.21%	2,243	0.00%	-
25 DHL Supply Chain	0.20%	2,192	0.00%	-
Other Employers	80.31%	876,254	84.47%	812,996

Sources: Columbus Business First, December 21, 2018 Issue and 2018-2017 Book of Lists

Information on The List was obtained from individual organizations, Columbus 2020 and Columbus Business First research

- Not listed within the top 100

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

### **For the 10 Years Ended December 31, 2019**

(labor force in thousands)

Year	FRANKLIN COUNTY		COLUMBUS MSA <sup>(1)</sup>		OHIO		U.S.
	Labor Force <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>	Labor Force <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>	Labor Force <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>	Unemployment Rate <sup>(3)</sup>
2019	698.4	3.5%	1,100.3	3.5%	5,822	4.1%	3.7%
2018	685.9	3.8%	1,080.8	3.8%	5,755	4.6%	3.9%
2017	681.9	4.0%	1,075.5	4.1%	5,770	5.0%	4.4%
2016	666.9	4.1%	1,056.0	4.2%	5,739	5.0%	4.9%
2015	655.5	4.1%	1,038.2	4.2%	5,697	4.9%	5.3%
2014	647.2	4.9%	1,027.6	4.9%	5,704	5.8%	6.2%
2013	638.8	6.4%	1,016.1	6.5%	5,717	7.5%	7.4%
2012	630.1	6.4%	1,003.9	6.5%	5,706	7.4%	8.1%
2011	627.4	7.8%	1,003.8	7.8%	5,771	8.8%	8.9%
2010	626.8	8.9%	1,004.3	9.0%	5,847	10.3%	9.6%

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

<sup>(1)</sup> The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Franklin, Licking, Madison, Morrow, Pickaway and Union Counties.

<sup>(2)</sup> Civilian labor force is the estimated number of persons 16 years of age and over, working or seeking work.

<sup>(3)</sup> 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, 2019

Year	FRANKLIN COUNTY			COLUMBUS MSA <sup>(1)</sup>			OHIO			U.S.
	Personal Income <sup>(2)</sup> (in thousands)	Population <sup>(3)</sup> (in thousands)	Per Capita Personal Income <sup>(4)</sup>	Personal Income <sup>(2)</sup> (in thousands)	Population <sup>(3)</sup> (in thousands)	Per Capita Personal Income <sup>(4)</sup>	Personal Income <sup>(2)</sup> (in thousands)	Population <sup>(3)</sup> (in thousands)	Per Capita Personal Income <sup>(4)</sup>	Per Capita Personal Income <sup>(4)</sup>
2019	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
2018	\$ 66,096	1,310	\$ 50,443	\$ 107,781	2,106	\$ 51,165	\$ 569,726	11,689	\$ 48,739	\$ 54,446
2017	\$ 63,048	1,295	\$ 48,659	\$ 102,745	2,082	\$ 49,338	\$ 544,140	11,664	\$ 46,651	\$ 51,885
2016	\$ 61,076	1,274	\$ 47,918	\$ 98,506	2,051	\$ 48,006	\$ 524,043	11,635	\$ 45,040	\$ 49,870
2015	\$ 59,897	1,257	\$ 47,630	\$ 95,805	2,027	\$ 47,251	\$ 515,138	11,617	\$ 44,340	\$ 48,978
2014	\$ 56,841	1,238	\$ 45,894	\$ 90,983	2,001	\$ 45,451	\$ 496,069	11,602	\$ 42,754	\$ 47,057
2013	\$ 53,902	1,218	\$ 44,219	\$ 86,720	1,974	\$ 43,928	\$ 475,776	11,576	\$ 41,098	\$ 44,851
2012	\$ 53,280	1,199	\$ 44,434	\$ 85,003	1,947	\$ 43,655	\$ 469,260	11,548	\$ 40,634	\$ 44,599
2011	\$ 49,208	1,180	\$ 41,675	\$ 79,365	1,926	\$ 41,204	\$ 451,011	11,543	\$ 39,071	\$ 42,735
2010	\$ 45,351	1,166	\$ 38,886	\$ 73,475	1,906	\$ 38,542	\$ 422,046	11,539	\$ 36,575	\$ 40,546

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Income Division - November 2018 (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, Franklin, Licking, Madison, Morrow, 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 2009-2018 reflect county population estimates available as of March 2019.

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

A photograph of a worker on a scissor lift inside an aircraft fuselage, overlaid with a red tint. The worker is wearing a safety vest and is positioned on the lift, which is extended into the cabin. The aircraft's interior structure, including the ceiling and walls, is visible. The lift has 'TLD' and an American flag logo on its side.

# Compliance Section

**This section contains the following subsections:**

[Independent Auditor's Report on Compliance](#)

[Schedule of Expenditures of Federal Awards](#)

[Schedule of Expenditures of Passenger Facility Charges](#)

[Notes to Schedule of Expenditures of Federal Awards and  
Schedule of Expenditures of Passenger Facility Charges](#)

[Schedule of Findings and Questioned Costs](#)

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, 2019 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 4, 2020.

**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) to determine the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 4, 2020

Report on Compliance for Each Major Federal Program  
and Passenger Facility Charge Program;  
Report on Internal Control Over Compliance 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, 2019. 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, 2019. Columbus Regional Airport 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 Columbus Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of Columbus Regional Airport Authority's compliance.

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

In our opinion, Columbus Regional Airport 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, 2019.

### ***Report on Internal Control Over Compliance***

Management of Columbus Regional Airport 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 Columbus Regional Airport 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 and 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 4, 2020

## Schedule of Expenditures of Federal Awards

### For the Year Ended December 31, 2019

See accompanying notes to schedule of expenditures of federal awards and schedule of passenger facility charges

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Total Amount Provided to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF TRANSPORTATION</b>					
<b>Direct:</b>					
Federal Aviation Administration - Airport Improvement Program (AIP):	20.106				
RWY 10L/28R Rehabilitation and Shoulder Improvements		3-39-0025-82	\$ 947,016	\$ -	\$ 947,016
Aquire 3 Pieces of Multi-Tasking Snow Removal Equipment		3-39-0025-86	127,357	-	127,357
Aquire Snow Removal Equipment (3-Multi Purpose; High Speed 24' Plow Truck with Tow Behind 22' Broom)		3-39-0025-87	1,501,661	-	1,501,661
VALE Infrastructure -Gate B36 & Gate C48 at CMH		3-39-0025-88	325,758	-	325,758
Aquire Snow Removal Equipment (5- High Speed 6x6 24' Plow Truck with V-Beds)		3-39-0025-89	1,429,214	-	1,429,214
Aquire Snow Removal Equipment (2 Replacement Snowbrooms)		3-39-0117-41	83,968	-	-
Update Airport Master Plan Study		3-39-0117-42	161,431	-	161,431
LCK MOS Ph. 1 Improvements		3-39-0117-44	1,763,648	-	1,763,648
Rehabilitate Taxiway A Connectors (Ph. 1C), Update Pavement Management Program for LCK (2018/2019)		3-39-0117-46	3,388,609	-	3,388,609
<b>Subtotal Federal Aviation Administration</b>			<b>9,728,662</b>	<b>-</b>	<b>9,644,694</b>
<b>Pass Through:</b>					
National Highway Traffic Safety Administration - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	DUI FFY 2019	8,860	-	892
<b>Subtotal National Highway Traffic Safety Administration</b>			<b>8,860</b>	<b>-</b>	<b>892</b>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>9,737,522</b>	<b>-</b>	<b>9,645,586</b>
<b>DEPARTMENT OF JUSTICE</b>					
<b>Direct:</b>					
Drug Enforcement Agency - Equitable Sharing Program	16.922	N/A	427,038	-	400,656
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>427,038</b>	<b>-</b>	<b>400,656</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 10,164,560</b>	<b>\$ -</b>	<b>\$ 10,046,242</b>

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

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## **Schedule of Expenditures of Passenger Facility Charges**

For the Year Ended December 31, 2019

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Program	Receipts	Expenditures
Passenger Facility Charges	\$ 13,947,217	\$ 2,844,904

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

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

For the Year Ended December 31, 2019

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### ***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.

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### ***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, either the cost principles contained in OMB Circular A-87, or 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.

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**Schedule of Findings and Questioned Costs**  
For the Year Ended December 31, 2019

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

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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. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. The Auditee did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

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**Section II - Financial Statement Findings Section**

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No matters were noted.

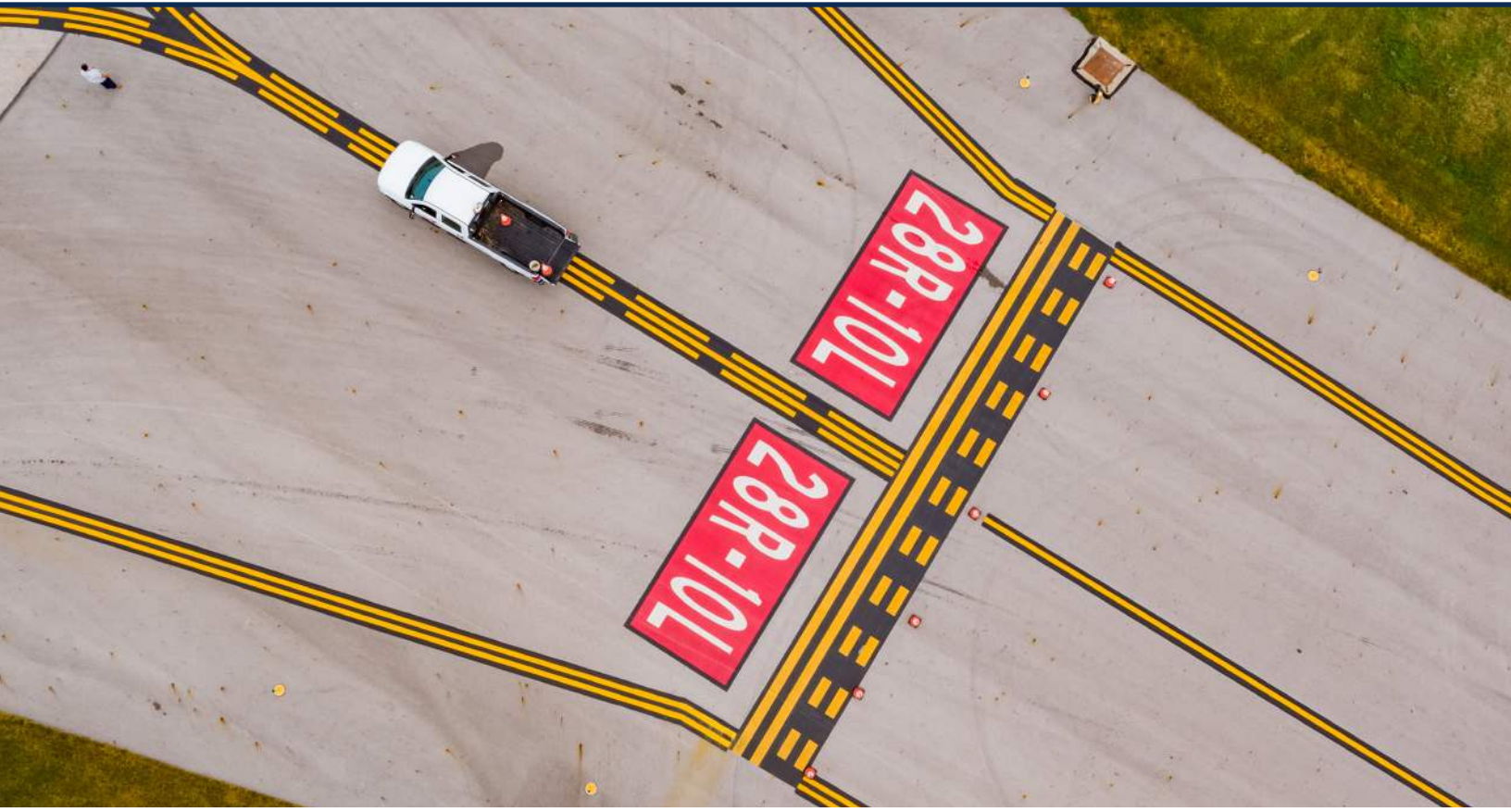
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**Section III - Federal Award Findings and Questioned Cost Section**

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No matters were noted.







**COLUMBUS**  
REGIONAL AIRPORT AUTHORITY

