COLUMBUS AIRPORT COMMISSION
(A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF COLUMBUS, GEORGIA)
FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
JUNE 30, 2019 AND 2018

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Independent Auditor's Report

The Commissioners
Columbus Airport Commission
Columbus, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the Columbus Airport Commission (the "Commission"), a component unit of the Consolidated Government of Columbus, Georgia, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Commission's 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Commission'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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 – 6 and other required supplementary information on pages 31 – 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Expenditures of Federal Awards (page 39), as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Expenditures of Passenger Facility Charges (page 41), as required by the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule 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 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 Schedule of Federal Awards and Schedule of Passenger Facility Charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report (pages 34 – 35) dated November 27, 2019 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

November 27, 2019

COLUMBUS AIRPORT COMMISSION

JUNE 30, 2019 AND 2018

MANAGEMENT DISCUSSION AND ANALYSIS

The following presents management's analysis of the Columbus Airport Commission's financial condition and activities for the year ended June 30, 2019. Page 6 presents certain comparative condensed financial information for 2019 and 2018.

The Columbus Airport Commission is a public, non-profit organization created by the Georgia Legislature in 1969 to own and operate the Columbus Airport. It is composed of five (5) nonpaid members who may serve up to two (2), five (5) year terms, and are appointed by the Columbus Consolidated Government. The airport is managed by the Airport Director and the Commission's own employees. The airport has its own police/fire jurisdiction and operates a combined police and fire department. The Commission also owns and operates the fixed base operator (FBO), which provides fueling and aviation services to general aviation aircraft owners and the air carriers serving Columbus. The Commission does not have taxing power; therefore, operations are funded from the leasing facilities and land owned by the Commission. Most of the capital improvements are funded by the capital contributions from the Federal Aviation Administration (FAA) through its Airport Improvement Program (AIP), State of Georgia Department of Transportation (GDOT) grants, federally approved Passenger Facility Charges (PFCs), and Commission funds.

Smaller airports such as Columbus continue to find themselves in a constant struggle to maintain and/or increase air service levels. While studies have shown the Columbus air service market is dynamic and very capable of supporting substantially increased air service levels, the national shortage of regional aircraft pilots has impacted the Commission's recruitment efforts. Delta continues to provide two to four daily round trips through its Atlanta, Georgia hub. Airport management had identified that past practices have contributed to an exceptionally high rate structure attributed to the air carrier operation. An airport's Cost Per Enplaned (CPE) passenger is an industry management tool that measures costs to air carriers at any particular airport. In 2013, the CSG CPE was found to be one of the highest in the country. As reported in previous audits, as part of the Commission's Five-Year Strategic Plan, airport management re-evaluated its Rates and Charges policy relating to air carrier activities. The goal to lower this burden and develop revenue from non-airline and non-aeronautical sources has been successful as the Commission has lowered its CPE by 21% over the last four fiscal years.

During this fiscal year of operation, the FBO continues to be profitable on a cash-flow basis. Administration continues to make efforts to control operating expenses. Most departments continued to control expenses through proactive management of resources, consolidation of staff and other efforts. The Commission continued its policy of improvement and maintenance in areas that had been deferred in the past decade. These efforts have been funded by the previously mentioned use of AIP grants, GDOT grants, PFC collections, and internal funding.

In FY 2018, the FAA issued an AIP grant to perform an assessment on the existing Passenger Terminal. This building was completed in 1991 and retains most of all the original systems as well as architectural elements of an era that makes the facility outdated and expensive to operate. The design was completed in the FY 2019 and the Commission has been granted additional funding for AIP projects and future bidding and construction. The next step of the renovation project is planned to begin in January of 2020. The objective of this project is to modernize the facility making it a more user-friendly building as well as substantially lowering operating costs. Furthermore, new commercial airlines are expected over the next year and a half as well as more routes available to the public in larger volume cities.

CONDENSED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF NET POSITION

	JUNE 30, 2019	JUNE 30, 2018
Capital assets:		
Producing	**$ 26,661,427**	$ 28,454,668
Construction in progress	**3,328,131**	699,184
Current assets, restricted assets, and other assets	**4,937,197**	4,256,124
Total assets	**34,926,755**	33,409,976
Deferred outflows of resources	**596,094**	309,163
Long-term liabilities	**$ 2,145,573**	$ 1,985,484
Current liabilities	**726,917**	465,364
Total liabilities	**2,872,490**	2,450,848
Deferred inflows of resources	**334,597**	283,746
Net position:		
Invested in capital assets, net of related debt	**29,121,312**	29,121,312
Restricted	**1,131,776**	1,925,812
Unrestricted	**2,062,674**	(62,579)
Total net position	**$ 32,315,762**	$ 30,984,545

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	YEARS ENDED JUNE 30, 2019	YEARS ENDED JUNE 30, 2018
Operating revenues	**$ 4,957,621**	$ 4,623,242
Operating expenses	**6,617,358**	6,440,011
Operating loss	**(1,659,737)**	(1,816,769)
Nonoperating revenues	**94,671**	52,285
Loss before capital contributions	**(1,565,066)**	(1,764,484)
Capital contributions	**2,896,283**	970,448
Change in net position	**1,331,217**	(794,036)
Net position, beginning	**30,984,545**	31,778,581
Net position, ending	**$ 32,315,762**	$ 30,984,545

This financial information should be read in conjunction with the audited financial statements and related note disclosures contained herein.

Signature

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	**$ 1,976,051**	$ 1,632,206
Receivables	**575,051**	370,481
Inventory	**70,475**	53,457
Other current assets	**25,198**	42,731
Deposits	**40,663**	231,437
Total current assets	**2,687,438**	2,330,312
RESTRICTED ASSETS		
Cash and cash equivalents	**1,473,665**	1,136,045
Investments	**776,094**	789,767
Total restricted assets	**2,249,759**	1,925,812
CAPITAL ASSETS		
Capital assets (not being depreciated)	**7,798,393**	5,169,446
Capital assets (net of accumulated depreciation and amortization)	**22,191,165**	23,984,406
Total capital assets	**29,989,558**	29,153,852
Total assets	**34,926,755**	33,409,976
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension plan	**596,094**	309,163

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	2019	2018
CURRENT LIABILITIES		
Current maturities of long-term debt	**11,493**	11,015
Construction contracts payable	**387,111**	50,505
Accounts payable	**95,380**	116,290
Accrued salaries and related taxes	**210,713**	265,513
Unearned revenue - current portion	**22,220**	22,041
Total current liabilities	**726,917**	465,364
UNEARNED REVENUE - long-term portion	**624,139**	688,455
NET PENSION LIABILITY - proportionate share	**1,511,402**	1,275,504
LONG-TERM DEBT (less current maturities)	**10,032**	21,525
Total long-term liabilities	**2,145,573**	1,985,484
Total liabilities	**2,872,490**	2,450,848
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension plan	**334,597**	283,746

NET POSITION

	2019	2018
NET INVESTMENT IN CAPITAL ASSETS	**29,580,922**	29,121,312
RESTRICTED	**2,249,759**	1,925,812
UNRESTRICTED	**485,081**	(62,579)
Total net position	**$ 32,315,762**	$ 30,984,545

See Notes to Financial Statements.

COLUMBUS AIRPORT COMMISSION

COLUMBUS, GEORGIA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Rental income	**$ 1,807,730**	$ 1,737,849
Landing and fuel flowage fees	**288,010**	266,266
Fuel and other FBO revenues	**2,516,511**	2,300,323
Other operating income	**345,370**	318,804
Total operating revenues	**4,957,621**	4,623,242
OPERATING EXPENSES		
Cost of fuel and other FBO revenues	**1,205,160**	1,114,066
Other FBO expenses	**688,840**	732,159
Other general and administrative expenses	**2,357,003**	2,274,315
Depreciation and amortization	**2,366,355**	2,319,471
Total operating expenses	**6,617,358**	6,440,011
Operating loss	**(1,659,737)**	(1,816,769)
NONOPERATING REVENUES		
Appropriation from Consolidated Government of Columbus, Georgia	**40,000**	40,000
Net investment income	**18,960**	7,067
Miscellaneous	**35,711**	5,218
Total nonoperating revenues	**94,671**	52,285
Loss before capital contributions	**(1,565,066)**	(1,764,484)
CAPITAL CONTRIBUTIONS		
Grant revenues	**2,491,690**	426,925
Passenger facility charges	**311**	178,788
Customer facility charges	**404,282**	364,735
Total capital contributions	**2,896,283**	970,448
Change in net position	**1,331,217**	(794,036)
Net position, beginning	**30,984,545**	31,778,581
Net position, ending	**$ 32,315,762**	$ 30,984,545

See Notes to Financial Statements.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from airlines	**$ 920,806**	$ 799,883
Other receipts	**4,013,618**	3,585,475
Payments to suppliers	**(2,720,741)**	(2,483,208)
Payments to employees	**(1,520,816)**	(1,423,451)
Net cash provided by operating activities	**692,867**	478,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Appropriation from Consolidated Government of Columbus, Georgia	**40,000**	40,000
Grants	**2,208,306**	360,594
Passenger facility charges	**311**	194,161
Customer facility charges	**404,282**	364,735
Purchase of capital assets	**(2,721,630)**	(904,067)
Deposits on construction commitments	**0**	(231,437)
Principal payments on long-term debt - net	**(11,015)**	(10,484)
Net cash used in capital and related financing activities	**(79,746)**	(186,498)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	**309,365**	94,380
Purchase of investments	**(282,424)**	(90,251)
Investment income (loss)	**5,692**	(11,157)
Other receipts	**35,711**	5,218
Net cash provided by (used in) investing activities	**68,344**	(1,810)
Net increase in cash and cash equivalents	**681,465**	290,391
Cash and cash equivalents (including restricted cash)		
Beginning	**2,768,251**	2,477,860
Ending	**$ 3,449,716**	$ 2,768,251

See Notes to Financial Statements.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	**$ (1,659,737)**	$ (1,816,769)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	**2,366,355**	2,319,471
Unearned income recognized	**(64,137)**	(74,438)
Changes in:		
Receivables	**78,814**	(63,738)
Inventory	**(17,018)**	(19,555)
Other current assets	**64,482**	(10,510)
Accounts payable	**(20,910)**	23,031
Other accrued expenses	**(54,982)**	162,341
Total adjustments	**2,352,604**	2,295,468
Net cash provided by operating activities	**$ 692,867**	$ 478,699

	2019	2018
Reconciliation of total cash and cash equivalents:		
Current assets - cash and cash equivalents	**$ 1,976,051**	$ 1,632,206
Restricted assets - cash and cash equivalents	**1,473,665**	1,136,045
Total cash and cash equivalents	**$ 3,449,716**	$ 2,768,251

See Notes to Financial Statements.

NOTE 1: Reporting Entity

The Commission, a component unit of the Consolidated Government of Columbus, Georgia, (the "City") was created by an amendment to the Constitution of the State of Georgia, for the purpose of administering the improvements, maintenance and operations of the Columbus Metropolitan Airport. The Commission consists of five members who are appointed by the City Council of Columbus, Georgia. The daily operations are managed by the Airport Director.

NOTE 2: Summary of Significant Accounting Policies

Basis of Presentation and Accounting – The Commission's financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net position is classified into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues, and unamortized debt expense reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted – This component of net position consists of constraints placed on net position used through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Commission's restricted net position and related assets are summarized in Note 3.

- Unrestricted net position – This component of net position consists of net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

NOTE 2: Summary of Significant Accounting Policies (continued)

All activities of the Commission are accounted for within a single proprietary ("enterprise") fund. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The accounting and financial reporting treatment applied to the Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the statement of net position. Operating revenues shown for proprietary operations generally result from producing or providing goods and services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Cash and Cash Equivalents – The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short–term investments with original maturities of three months or less from the date of acquisition.

Investments – Investments are reported at fair value, determined based on quoted market prices or estimated fair values provided by external investment managers or other sources. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated independent of the calculation of the change in the fair value of investments and on the basis of specific identification of the investments sold. Realized gains and losses include unrealized amounts from prior periods. Investment management fees and service charges are netted against investment income for financial reporting purposes. The net realized and unrealized gains and losses and investment management fees and service charges are included as net investment income in the accompanying statements of revenues, expenses and changes in net position.

Receivables – Receivables consist primarily of amounts due under the terms of underlying lease agreements, grant agreements, or other contracts. The specific payment terms, including interest charges on late payments, are dependent upon the lease agreement or contract. Balances that are still outstanding after reasonable collection efforts have been made by management are written off as bad debts.

NOTE 2: Summary of Significant Accounting Policies (continued)

The Commission has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write–off method is not materially different from the results that would have been obtained under the allowance method.

Inventories – Inventories are valued using the average cost method (determined by the first-in, first-out method) or market.

Capital Assets and Related Depreciation and Amortization – Capital assets purchased or acquired with an original cost exceeding $10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays with an original cost exceeding $100,000 that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives, as follows:

Land improvements	15 – 25 years
Easements	40 years
Building renovations	5 – 30 years
Buildings and improvements	15 – 30 years
HVAC equipment	10 – 15 years
Furniture, fixtures and equipment	3 – 7 years
Computer equipment	3 – 5 years
Automobiles, trucks and tractors	5 – 15 years
Development plans	3 – 10 years
Contract termination costs	10 years

Deposits – Deposits consists of a deposit with the Federal Aviation Administration pursuant to an agreement for the FAA to provide engineering and construction oversight services related to an Airport Improvement Project.

Deferred Inflows and Outflows of Resources – Deferred inflows and outflows of resources include the difference between the projected and actual earnings on pension plan investments and the changes in proportion, differences between employer contributions and proportionate share of contributions, and changes of assumptions. Deferred outflows of resources also include the employer contributions made subsequent to the measurement date which will reduce the net pension liability in future years.

NOTE 2: Summary of Significant Accounting Policies (continued)

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Commission and its employees is accrued as employees earn the rights to the benefits.

Reclassifications – Certain items in the 2018 financial statements have been reclassified in order to be in conformity with the 2019 statement presentation.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

NOTE 3: Cash and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that deposits be secured by an amount equal to or not less than 110 percent of the deposited funds. Statutes exclude demand deposit checking accounts from security requirements if the funds are not on deposit for more than ten days. The Commission does not have a deposit policy for custodial credit risk that is more restrictive than required by State Statutes.

All of the Commission's deposits as of June 30, 2019 were entirely insured or collateralized with securities held by its agent in the Commission's name.

Restricted Cash

Restricted cash is summarized as follows:

	2019	2018
Passenger facility charges (See Note 9)	**$ 639,628**	$ 689,317
Customer facility charges (See Note 9)	**804,771**	432,221
Trust agreement (See Note 5)	**29,266**	14,507
Total restricted cash	**$ 1,473,665**	$ 1,136,045

NOTE 3: Cash and Investments (continued)

Investments

As of June 30, 2019, the Commission had the following investments:

Investment Type	Fair Value/ Carrying Amount	Cost	Credit Quality Rating (a)	Maturity Dates
Restricted Investments:				
Mutual funds, held in trust				
Value	$ 24,639	$ 23,278	N/A	N/A
Blend	354,894	316,551	N/A	N/A
Diversified emerging markets	60,648	60,576	N/A	N/A
Corporate bonds, held in trust	225,367	222,567	AAA	6.00 - 6.73 years
Corporate bonds, held in trust	86,746	81,784	BBB	10.45 years
Corporate bonds, held in trust	23,800	23,125	B	4.26 years
Total restricted investments	$ 776,094	$ 727,881		

(a) Standard and Poors ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

NOTE 3: Cash and Investments (continued)

As of June 30, 2018, the Commission had the following investments:

Investment Type	Fair Value/ Carrying Amount	Cost	Credit Quality Rating (a)	Maturity Dates
Restricted Investments:				
Mutual funds, held in trust				
Value	$ 24,924	$ 23,281	N/A	N/A
Blend	364,427	327,429	N/A	N/A
Diversified emerging markets	44,528	43,615	N/A	N/A
Corporate bonds, held in trust	242,250	248,877	AAA	6.44 - 6.58 years
Corporate bonds, held in trust	88,906	92,282	A	11.32 years
Senior floating rate loans, held in trust	24,732	25,136	BB	3.94 years
Total restricted investments	$ 789,767	$ 760,620		

(a) Standard and Poors ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

Statutes authorize the Commission to invest in obligations of the United States of America and of its agencies and instrumentalities, bonds or certificates of deposit of banks insured by the F.D.I.C. to the extent that such investments are legal investments, repurchase agreements, and the Local Government Investment Pool, administered by the State of Georgia. Certificates of deposit must be collateralized to the extent they exceed $100,000. The Commission does not have an investment policy, interest rate risk policy, or concentration credit risk policy more restrictive than the one authorized by state statutes.

NOTE 4: Receivables

Receivables are summarized as follows:

	2019	2018
Accounts receivable	**$ 183,412**	$ 261,117
Customer facility charges receivable	**36,684**	37,793
Due from governmental agencies	**354,955**	71,571
Total receivables	**$ 575,051**	$ 370,481

Amounts due from governmental agencies relate to their proportionate share of costs incurred under various federal awards.

NOTE 5: Investment Activity

Lease/Trust Agreement

The Commission has a 60-year ground lease agreement which began October 1, 1998 and expires September 30, 2058. The base rent for the entire term of the ground lease is $979,000.

Prior to executing the lease agreement, the lessee paid several deposits to the Commission which were to be applied to the agreement. These deposits were recorded as future lease income, a long-term liability, by the Commission and totaled $75,000. Upon execution of the lease, the remaining $904,000 was paid to a Trustee to be held in trust for the benefit of the Commission. The related trust agreement states the Commission will receive annual distributions of principal of $15,067 representing 1/60th of the initial trust principal amount.

In addition, the Commission will receive distributions of the entire amount of net income earned by the trust annually or more frequently at the Commission's request.

The lease agreement is generally considered non-cancelable by the lessee, except in certain condemnation circumstances. Future minimum rental income is included in Note 11 as due from other lessees. Termination provisions of the contract state the Commission is normally entitled to appreciation of the principal invested sum, with the lessee receiving the lesser of the balance of any unearned rent or the value of the trust at termination.

NOTE 5: Investment Activity (continued)

The trust has a fair value of $805,360 and $804,274 at June 30, 2019 and 2018, respectively, is recorded as a restricted asset, and is comprised of the following:

	2019	2018
Cash and cash equivalents	**$ 29,266**	$ 14,507
Restricted investments (See Note 3)	**776,094**	789,767
Total	**$ 805,360**	$ 804,274

The Commission recognized rental income of $16,317 for each of the years ended June 30, 2019 and 2018. Unearned lease income received of $640,454 and $656,772 remained to be recognized as of June 30, 2019 and 2018, respectively.

Investment Income

Net investment income from all investments is summarized as follows:

	2019	2018
Dividends and interest	**$ 21,197**	$ 17,572
Fees and other expenses	**(15,505)**	(28,729)
Realized gain on sale of investments	**4,274**	5,773
Change in fair value of investments	**8,994**	12,451
Net investment income	**$ 18,960**	$ 7,067

NOTE 6: Capital Assets and Related Depreciation/Amortization

Capital assets and the related depreciation and amortization are summarized below for each of the years ended June 30, 2019 and 2018:

	June 30, 2018	Additions	Deletions	Reclassi-fications	June 30, 2019
Capital assets not depreciated:					
Land parcels	$ 4,470,262	$ 0	$ 0	$ 0	$ 4,470,262
Construction in progress	699,184	2,960,392	(47,480)	(283,965)	3,328,131
Total assets not depreciated	5,169,446	2,960,392	(47,480)	(283,965)	7,798,393
Capital assets depreciated:					
Land improvements	36,655,126	0	0	9,210	36,664,336
Easements	1,154,841	0	0	0	1,154,841
Buildings and improvements	21,188,248	149,390	0	240,231	21,577,869
Furniture, fixtures and equipment	1,282,033	32,507	0	0	1,314,540
Automobiles, trucks and tractors	1,585,888	99,783	(17,507)	0	1,668,164
Development plans	43,794	7,469	0	34,524	85,787
Contract termination costs	1,500,000	0	(1,500,000)	0	0
Total assets depreciated	63,409,930	289,149	(1,517,507)	283,965	62,465,537
Less accumulated depreciation/amortization:					
Land improvements	(21,658,744)	(1,582,807)	0	0	(23,241,551)
Easements	(753,041)	(16,886)	0	0	(769,927)
Buildings and improvements	(13,128,683)	(531,829)	0	0	(13,660,512)
Furniture, fixtures and equipment	(1,216,100)	(28,113)	0	0	(1,244,213)
Automobiles, trucks and tractors	(1,312,591)	(52,905)	17,507	0	(1,347,989)
Development plans	(6,365)	(3,815)	0	0	(10,180)
Contract termination costs	(1,350,000)	(150,000)	1,500,000	0	0
Total	(39,425,524)	(2,366,355)	1,517,507	0	(40,274,372)
Total capital assets being depreciated, net	23,984,406	(2,077,206)	0	283,965	22,191,165
Capital assets (net)	$ 29,153,852	$ 883,186	$ (47,480)	$ 0	$ 29,989,558

NOTE 6: Capital Assets and Related Depreciation/Amortization (continued)

	June 30, 2017	Additions	Deletions	Reclassi-fications	June 30, 2018
Capital assets not depreciated:					
Land parcels	$ 4,470,262	$ 0	$ 0	$ 0	$ 4,470,262
Construction in progress	977,140	562,843	0	(840,799)	699,184
Total assets not depreciated	5,447,402	562,843	0	(840,799)	5,169,446
Capital assets depreciated:					
Land improvements	35,535,124	279,203	0	840,799	36,655,126
Easements	1,154,841	0	0	0	1,154,841
Buildings and improvements	21,118,855	69,393	0	0	21,188,248
Furniture, fixtures and equipment	1,276,004	6,029	0	0	1,282,033
Automobiles, trucks and tractors	1,538,300	47,588	0	0	1,585,888
Development plans	43,794	0	0	0	43,794
Contract termination costs	1,500,000	0	0	0	1,500,000
Total assets depreciated	62,166,918	402,213	0	840,799	63,409,930
Less accumulated depreciation/amortization:					
Land improvements	(20,110,196)	(1,548,548)	0	0	(21,658,744)
Easements	(736,155)	(16,886)	0	0	(753,041)
Buildings and improvements	(12,604,884)	(523,799)	0	0	(13,128,683)
Furniture, fixtures and equipment	(1,179,422)	(36,678)	0	0	(1,216,100)
Automobiles, trucks and tractors	(1,272,602)	(39,989)	0	0	(1,312,591)
Development plans	(2,794)	(3,571)	0	0	(6,365)
Contract termination costs	(1,200,000)	(150,000)	0	0	(1,350,000)
Total	(37,106,053)	(2,319,471)	0	0	(39,425,524)
Total capital assets being depreciated, net	25,060,865	(1,917,258)	0	840,799	23,984,406
Capital assets (net)	$ 30,508,267	$ (1,354,415)	$ 0	$ 0	$ 29,153,852

NOTE 7: Long-Term Debt

During the year ended June 30, 2016, the Commission obtained a note payable in the amount of $54,982 from Deere Credit, Inc. collateralized by equipment. The note is due in monthly installments of $1,015 including interest at 4.25% and matures in May 2021.

Maturities of long-term debt for the next five years are as follows:

Current maturities		$ 11,493
2021	$ 10,032	10,032
		$ 21,525

NOTE 8: Unearned Revenue

Unearned revenue consists of the following at June 30, 2019 and 2018:

	2019	2018
Deposits	**$ 5,903**	$ 5,724
Unearned lease income - hangar lease (1)	**0**	48,000
Unearned lease income - ground lease (See Note 5)	**640,456**	656,772
Total unearned revenue	**646,359**	710,496
Current portion	**(22,220)**	(22,041)
Unearned revenue - long-term portion	**$ 624,139**	$ 688,455

(1) During the year ended June 30, 2010, the Commission entered into an agreement with the previous fixed base operator ("FBO") resulting in the Commission taking over FBO operations, acquiring certain assets, and providing the prior operator the use of certain hangar space on a rent-free basis for a 10-year period. The remaining balance on this hangar space is accounted for as unearned lease income and is amortized over the 10-year lease term. Certain contract termination costs associated with the agreement are being depreciated over the same 10-year lease term.

NOTE 9: Capital Contributions

The FAA approved collection of a passenger facility charge ("PFC") of $4.50 per passenger beginning March 1, 2016 with an original expiration date of September 30, 2022. In April of 2018, this expiration date was changed to June 1, 2018. The charges are collected and remitted by the air carriers and can only be used for approved projects. Cash in the amount of $639,628 and $689,317 as of June 30, 2019 and 2018, respectively, is restricted for those specified capital projects.

During the year ended June 30, 2017, a customer facility charge ("CFC") of $3.00 per day was imposed on auto rentals to fund improvements to airport rental car facilities. The charges are collected and remitted by the auto rental agencies and can only be used for approved projects. Cash in the amount of $804,771 and $432,221 as of June 30, 2019 and 2018, respectively, is restricted for those specified capital projects.

NOTE 10: Leases

Total amounts of rental income, under operating leases, for the year ended June 30, 2019 are as follows:

	BASE RENTS	CONTINGENT RENTS	TOTAL
Airlines	$ 67,503	$ 141,845	$ 209,348
Auto rentals	645,079	181,125	826,204
Other lessees	760,438	11,740	772,178
Total	$ 1,473,020	$ 334,710	$ 1,807,730

Total amounts of rental income, under operating leases, for the year ended June 30, 2018 are as follows:

	BASE RENTS	CONTINGENT RENTS	TOTAL
Airlines	$ 73,889	$ 132,103	$ 205,992
Auto rentals	639,808	139,247	779,055
Other lessees	740,802	12,000	752,802
Total	$ 1,454,499	$ 283,350	$ 1,737,849

NOTE 10: Leases (continued)

With the exception of the ground lease referred to in Note 5, the leases referred to above range in terms from 1 to 25 years and provide for minimum rentals, contingent rentals, or a combination of both. The contingent rentals are primarily based on gross receipts. Several leases provide for renewal options every year.

Future minimum rentals on non-cancelable leases executed as of June 30, 2019 are summarized as follows:

	AUTO RENTALS	OTHER	MINIMUM RENTALS
Year ending June 30,			
2020	$ 644,009	256,818	$ 900,827
2021	644,009	247,364	891,373
2022	295,077	220,127	515,204
2023	19,100	207,674	226,774
2024	0	208,033	208,033
Later years	0	996,075	996,075
Total future minimum rentals	$ 1,602,195	$ 2,136,091	$ 3,738,286

The approximate cost and accumulated depreciation of assets currently under lease are summarized as follows:

	2019	2018
Cost	**$ 9,200,531**	$ 9,200,531
Accumulated depreciation	**(6,711,421)**	(6,499,234)
Net book value	**$ 2,489,110**	$ 2,701,297

NOTE 11: Grants

During the years ended June 30, 2019 and 2018, the Commission incurred expenditures of Federal FAA grant awards of $2,702,069 and $329,170, respectively, all of which are 90% reimbursable by the FAA. A portion of the expenditures are also 5% reimbursable by the Georgia Department of Transportation.

NOTE 12: Employee Benefit Plans

The Commission contributes to the Consolidated Government of Columbus, Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund, a pooled public employee retirement fund. The City maintains and administers three types of defined benefit plans – two Pension Plans, a Death Benefit Plan, and a Major Disability Income Plan (collectively, “Pension Plans”). Substantially all of the Commission’s eligible employees are covered by these plans. Financial information on the plans is included in the Comprehensive Annual Financial Report of the Consolidated Government of Columbus, Georgia. The plans do not issue separate reports.

Although the assets of the Pension Plans are commingled for investment purposes, each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Authority under which the obligations to contribute to the plan member and employer accounts of the Pension Plans are established or amended rests with the Council of the Consolidated Government of Columbus, Georgia.

The Consolidated Government’s actuarial reports include the valuations of the Pension Plans for all employees of the Consolidated Government, which includes the Commission as well as other agencies and authorities. The following information relates to the plans as a whole:

Summary of Significant Accounting Policies

Basis of Accounting – The Pension Plans report using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer contributions to the Pension Plans, individually, are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Investments – Investments are reported at fair value.

Plan Descriptions and Contribution Information

Employees’ Pension Plan and the Public Safety Pension Plan – These plans are cost sharing multiple-employer defined benefit pension plans that cover the employees of the City, which includes the Commission as well as other related agencies and authorities. These plans provide retirement and death benefits to plan members and their beneficiaries.

NOTE 12: Employee Benefit Plans (continued)

The required employee contribution rate is 4% (for employees hired prior to July 1, 2012) or 8% (for employees hired after June 30, 2012). The employer contributes amounts as required for the orderly funding of the plans, but not less than the amounts required under Title 47 of the Official Code of Georgia, Annotated. The employer's contributions to the plans are actuarially determined on an annual basis. The required contributions by the Commission to the plans for the years ending June 30, 2019, 2018, 2017, 2016 and 2015 represent 0.92%, 0.89%, 0.80%, 0.82%, and 0.81%, respectively, of the required minimum contributions for the plans as a whole.

Death Benefit Plan for Retirees – The Death Benefit Plan is a cost sharing multiple-employer defined benefit plan that covers the employees of the City, which includes the Commission as well as other related agencies and authorities. This plan provides a death benefit to those employees who on the day prior to retirement are insured for group life insurance under the Columbus, Georgia Employees' Group Insurance Plan. In addition, a death benefit for spouses, children and grandchildren is optional provided a monthly premium is paid.

Employees may elect to pay monthly contributions for death benefit coverage for their spouse and dependents. The employer's contribution to the plan is actuarially determined on an annual basis. The required contributions by the Commission to the plan for the years ending June 30, 2019, 2018, 2017, 2016 and 2015 represent 0.96%, 0.87%, 0.80%, 0.82%, and 0.88%, respectively, of the required minimum contributions for the plan as a whole.

Major Disability Income Plan – The Major Disability Income Plan is a cost sharing multiple-employer defined benefit plan that covers each full-time employee of the City, which includes the Commission as well as other related agencies and authorities. This plan provides a monthly benefit to those employees who become totally disabled prior to attainment of age 64 years and six months and supply written proof of entitlement to a benefit under the Federal Social Security Act.

Contributions by employees are neither required nor permitted. The employer's contribution to the plan is actuarially determined on an annual basis. The required contributions by the Commission to the plan for the years ending June 30, 2019, 2018, 2017, 2016 and 2015 represent 0.96%, 0.87%, 0.80%, 0.82%, and 0.85%, respectively, of the required minimum contributions for the plan as a whole.

NOTE 12: Employee Benefit Plans (continued)

Contributions

The contributions for the Commission for the years ending June 30, 2019, 2018, 2017, 2016, and 2015 were as follows:

	Plan as a Whole		
	Contribution as a Percentage of Covered Payroll	Contribution as a Percentage of Required Contribution	Contribution Paid by Commission
Public Safety Pension Plan			
2019	18.55%	100%	88,334
2018	17.83%	100%	97,783
2017	19.10%	100%	91,200
2016	19.82%	100%	98,242
2015	21.15%	100%	77,793
General Pension Plan			
2019	10.31%	100%	112,007
2018	8.14%	100%	94,174
2017	9.63%	100%	56,736
2016	12.41%	100%	79,917
2015	15.71%	100%	120,924
Death Benefit Plan for Retirees			
2019	0.23%	100%	2,990
2018	0.33%	100%	3,837
2017	0.34%	100%	3,582
2016	0.23%	100%	2,568
2015	0.38%	100%	3,557
Disability Benefit Plan			
2019	0.32%	100%	4,089
2018	0.32%	100%	3,639
2017	0.34%	100%	3,553
2016	0.25%	100%	2,707
2015	0.23%	100%	2,572

NOTE 12: Employee Benefit Plans (continued)

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

At June 30, 2019, the Commission reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The Commission's portion of the net pension liability was based on contributions to the plans during the year ended June 30, 2018 (measurement period) of $155,488. At June 30, 2018, the Commission's proportion of the net pension liability was 0.8808%, which was an increase of 0.0836% from its proportion measured as of June 30, 2017.

For the years ended June 30, 2019 and 2018, the Commission recognized pension expense of $193,195 and $209,008, respectively. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions *	**$ 273,917**	**$ 9,210**	$ 141,462	$ 3,400
Difference between expected and actual experience	**11,209**	**226,993**	12,213	208,357
Net difference between projected and actual earnings on pension plan investments *	**0**	**74,740**	0	43,668
Changes in proportion and differences between Employer contributions and proportionate share of contributions *	**127,202**	**23,654**	0	28,321
Employer contributions subsequent to the measurement date	**183,766**	**0**	155,488	0
Totals	**$ 596,094**	**$ 334,597**	$ 309,163	$ 283,746

NOTE 12: Employee Benefit Plans (continued)

* Net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	$	(27,636)
2020		(137)
2021		15,620
2022		(11,468)
2023		(20,386)
Thereafter		(33,724)
Net deferred outlows of resources	$	(77,731)

Actuarial assumptions – The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of July 1, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	6.14% per annum (2.5% is attributable to long-term inflation); This rate was used to discount all future payments
Salary increases:	3.25% per annum
Cost of living increases:	None assumed
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Mortality Table annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service for Internal Revenue Code section 430; future generational improvements in mortality have not been reflected.
Retirement (General employees):	Retirement is assumed to occur after 15 years of service at the rate of 5% at each of ages 55 through 60, 10% at age 61, 30% at age 62, 15% at each of ages 63 and 64, and 100% thereafter.

NOTE 12: Employee Benefit Plans (continued)

Retirement (Public safety employees):
Retirement is assumed to occur after 20 years of service at the rate of 3% at each of ages 50 through 54, 20% at each of ages 55 through 59, 10% at age 60, 25% at age 61, 50% at age 62, and 30% at each of ages 63 and 64; 100% of employees are assumed to retire at age 65 regardless of service.

Future contributions: Contributions from the employers and employees are assumed to be made as legally required.

Changes: Since the prior measurement date, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale AA.

Determination of the long-term expected rate of return on plan assets:

Asset Class	Target Allocation	Expected Long-term Real Return per Annum
Core fixed income	35.00%	2.17%
Global fixed income	4.00%	1.83%
Large cap growth equity	13.00%	4.27%
Large cap core equity	13.00%	4.27%
Large cap value equity	13.00%	4.27%
Mid cap equity	3.00%	4.44%
Small cap equity	3.00%	4.44%
International equity	10.00%	5.35%
Emerging markets equity	3.00%	7.22%
Real estate	3.00%	4.06%
Total or weighted arithmetic average	100.00%	3.64%

NOTE 12: Employee Benefit Plans (continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate – The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 6.14%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease 5.14%	Current discount rate 6.14%	1% Increase 7.14%
Commission's proportionate share of the net pension liability	$2,236,039	$1,511,402	$911,927

NOTE 13: Commitments and Contingencies

The Commission is under obligation for construction contracts related to runway improvements in the amount of $3,532,001 at June 30, 2019. As of that date, $3,178,801 had been spent, leaving an uncompleted contractual obligation of $641,513. Expenditures for these construction contracts are reimbursed at 90% of the cost through the Federal Airport Improvement Program grants.

NOTE 14: Risk Management

The Commission is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance coverage for each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Commission. There have been no claims or settlements to exceed insurance coverage in the past three fiscal years.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Defined Benefit Pension Plans

Schedule of Proportionate Share of the Net Pension Liability

	2019	2018	2017
Commission's proportion of the net pension liability	**0.8808%**	0.7972%	0.8157%
Commission's proportionate share of the net pension liability	**$ 1,511,402**	$ 1,275,504	$ 1,410,265
Commission's covered-employee payroll	**$ 1,338,612**	$ 1,220,061	$ 1,141,344
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	**112.91%**	104.54%	123.56%
Plan fiduciary net position as a percentage of the total pension liability	**72.81%**	72.85%	69.32%

	2016	2015
Commission's proportion of the net pension liability	0.7778%	0.7082%
Commission's proportionate share of the net pension liability	$ 1,289,143	$ 1,180,569
Commission's covered-employee payroll	$ 1,070,683	$ 1,063,089
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	120.40%	111.05%
Plan fiduciary net position as a percentage of the total pension liability	68.98%	68.70%

	2019			2018		
Schedule of Contributions	**Pension**	**Death benefit**	**Disability income**	Pension	Death benefit	Disability income
Contractually required contribution	**$ 156,888**	**$ 3,114**	**$ 4,431**	$ 176,687	$ 2,990	$ 4,089
Contributions in relation to the contractually required contribution	**156,888**	**3,114**	**4,431**	176,687	2,990	4,089
Contribution deficiency (excess)	**$ 0**	**$ 0**	**$ 0**	$ 0	$ 0	$ 0
Commission's covered-employee payroll	**$ 1,101,871**	**$ 1,101,871**	**$ 1,101,871**	$ 1,338,612	$ 1,338,612	$ 1,338,612
Contributions as a percentage of covered-employee payroll	**14.24%**	**0.28%**	**0.40%**	13.20%	0.22%	0.31%

Defined Benefit Pension Plans (Continued)

	2017			2016		
Schedule of Contributions	Pension	Death benefit	Disability income	Pension	Death benefit	Disability income
Contractually required contribution	$ 147,936	$ 3,582	$ 3,553	$ 178,159	$ 2,568	$ 2,707
Contributions in relation to the contractually required contribution	147,936	3,582	3,553	178,159	2,568	2,707
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Commission's covered-employee payroll	$ 1,220,061	$ 1,220,061	$ 1,220,061	$ 1,141,344	$ 1,141,344	$ 1,141,344
Contributions as a percentage of covered-employee payroll	12.13%	0.29%	0.29%	15.61%	0.22%	0.24%

	2015		
Schedule of Contributions	Pension	Death benefit	Disability income
Contractually required contribution	$ 198,717	$ 3,557	$ 2,572
Contributions in relation to the contractually required contribution	198,717	3,557	2,572
Contribution deficiency (excess)	$ 0	$ 0	$ 0
Commission's covered-employee payroll	$ 1,070,683	$ 1,070,683	$ 1,070,683
Contributions as a percentage of covered-employee payroll	18.56%	0.33%	0.24%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarial methods and assumptions below were used to determine the contractually required contributions above for the year ended June 30, 2018. The mortality basis was updated to the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale AA.

Valuation date:	July 1, 2017
Actuarial cost method:	Frozen initial liability
Amortization method:	Level dollar, closed
Remaining amortization method:	15 years
Asset valuation method:	Three-year smoothed market value
Inflation rate:	2.50%
Salary increases:	3.25%
Investment rate of return:	6.14%

The schedules above are intended to show information for the last 10 years. Additional years will be displayed as they become available.

ROBINSON, GRIMES & COMPANY, P.C.
Certified Public Accountants & Consultants

Independent Auditor's 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

The Commissioners
Columbus Airport Commission
Columbus, Georgia

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 Airport Commission (the "Commission"), a component unit of the Consolidated Government of Columbus, Georgia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Columbus Airport Commission's basic financial statements, and have issued our report thereon dated November 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2019-1).

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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.

We noted certain matters that we have reported to management of the Commission in a separate letter dated November 27, 2019.

Columbus Airport Commission's Response to Findings

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

November 27, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies

The Commissioners
Columbus Airport Commission
Columbus, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Columbus Airport Commission's (the "Commission") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide"), that could have a direct and material effect on the Commission's major federal program and Passenger Facility Charge ("PFC") program for the year ended June 30, 2019. The Commission's major federal program and PFC program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and 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 and the PFC program occurred. An audit includes examining, on a test basis, evidence about the Commission'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 the major federal program and PFC program. However, our audit does not provide a legal determination of the Commission's compliance.

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Opinion on Compliance for the Major Federal Program and PFC Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and PFC program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and PFC program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and PFC 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 Commission'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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 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 Guide. Accordingly, this report is not suitable for any other purpose.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

November 27, 2019

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

	FEDERAL CFDA NUMBER	TOTAL EXPENDITURES
DEPARTMENT OF TRANSPORTATION		
Federal Aviation Administration	20.106	$ 2,702,069

See Independent Auditor's Report.

NOTE 1: Summary of Significant Accounting Policies

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Commission and has been prepared utilizing the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED JUNE 30, 2019

PROJECT	TOTAL EXPENDITURES
Columbus GA Perimeter Security Road (Design)	$ 50,000
Total PFC expenditures	$ 50,000

The Schedule of Expenditures of Passenger Facility Charges has been prepared utilizing the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

See Independent Auditor's Report.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Summary of Auditor's Results

1. An unmodified opinion, dated November 27, 2019, was issued on the financial statements for the year ended June 30, 2019.

2. The "Independent Auditor's 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" dated November 27, 2019, disclosed one significant deficiency for the year ended June 30, 2019. This significant deficiency was not considered a material weakness.

3. The "Independent Auditor's 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" dated November 27, 2019, disclosed no instances of noncompliance for the year ended June 30, 2019.

4. The "Independent Auditor's Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies" dated November 27, 2019, disclosed no significant deficiencies or material weaknesses in internal control over major programs and the Passenger Facility Charge Program for the year ended June 30, 2019.

5. An unmodified opinion, dated November 27, 2019, was issued on the Commission's compliance with its major federal program and Passenger Facility Charge Program in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies" for the year ended June 30, 2019.

6. No audit findings were disclosed as required under section 200.515 of the Uniform Guidance and the Guide for the year ended June 30, 2019.

7. The Columbus Airport Commission's major program for the year ended June 30, 2019 is the Airport Improvement Program, CFDA No. 20.106.

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000, as described in section 200.518 of the Uniform Guidance.

9. The Columbus Airport Commission did qualify as a low-risk auditee for the year ended June 30, 2019 as described in section 200.520 of the Uniform Guidance.

Financial Statement Findings

Finding 2019-1

Significant Deficiency – Year-end Financial Reporting Process

Condition and Criteria: In order to properly monitor the financial reporting process, ideally, the Commission should be able to prepare financial statements, including necessary disclosures, in accordance with accounting principles generally accepted in the United States of America. Since the Commission's personnel do not have the necessary familiarity with all disclosure requirements of such principles, management has requested that the auditor prepare the year-end financial statements including the footnotes. Although the auditor has done so, the financial statements and related disclosures remain the responsibility of management. Since the auditor's work cannot be considered as part of the Commission's internal control system, a significant deficiency exists in regards to the year-end financial reporting process.

Cause: Although the Commission personnel are familiar with most accounting principles generally accepted in the United States of America, they do not maintain current knowledge of all disclosure requirements.

Effect: Due to the limited knowledge of required financial statement disclosures, the Commission relies on the external auditor to prepare the financial statements and footnotes.

Recommendation: The Commission's personnel should consider training to develop the necessary familiarity with the appropriate disclosure requirements.

Responsible Official's Response: Although it concurs with the auditor's recommendation, the Commission does not feel that there is appropriate cost justification to proceed with this process. It will likely continue to request the auditors to prepare the annual financial statements.