

**COLUMBUS AIRPORT COMMISSION
(A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF COLUMBUS, GEORGIA)
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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 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 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 Commission'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, 2021 and 2020, 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 32 – 34 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 40), 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 42), 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 35 – 36) dated November 17, 2021 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 17, 2021

**COLUMBUS AIRPORT COMMISSION
JUNE 30, 2021 AND 2020**

MANAGEMENT'S 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, 2021. Page 6 presents certain comparative condensed financial information for 2021 and 2020.

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) non-paid 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.

Since the receipt of the Small Community Air Service Development Program (SCASDP) in 2014, the Columbus Airport Commission continues to work tirelessly to maintain and/or increase air service within our market. In May of 2021, American Airlines executed an Air Service Agreement to provide two daily flights to Charlotte, NC and one daily flight to Dallas, TX. Service is to begin on August 17th, 2021. As of August 2020, Delta increased flights to provide three daily round trips through its Atlanta, Georgia hub. In May of 2021 Delta discontinued blocking the middle seat on their aircraft which allowed a higher capacity of passengers to travel through the Columbus market. As we recover from the pandemic, we continue to see growth in our commercial airline passenger numbers.

The FBO operated as, Flightways Columbus, has seen an increase in fuel sales as the General Aviation and Corporate Aviation industries begin to recover and flourish through the COVID-19 pandemic. 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 while increasing organizational efficiencies. Most departments continued to control expenses through proactive management of resources, investing in their current staff to increase longevity and decrease turnover, 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.

The terminal renovation project is nearing completion as it has only a few more months of work remaining. The updated terminal is functioning efficiently as 95% of the work has been completed. All internal systems including, electrical, plumbing, and HVAC have been replaced, and all lighting has been replaced with LED fixtures. Passenger flow, security processing, and passenger comforts have also greatly benefited from the completion of this project.

CONDENSED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF NET POSITION

JUNE 30,

	2021	2020
Capital assets:		
Producing	\$ 26,831,676	\$ 25,116,052
Construction in progress	19,367,313	7,449,648
Current assets, restricted assets, and other assets	9,574,364	7,592,111
Total assets	55,773,353	40,157,811
Deferred outflows of resources	1,104,478	731,454
Long-term liabilities	\$ 6,656,080	\$ 2,793,631
Current liabilities	4,085,957	2,034,134
Total liabilities	10,742,037	4,827,765
Deferred inflows of resources	481,146	532,063
Net position:		
Invested in capital assets, net of related debt	38,582,614	30,205,932
Restricted	1,378,180	2,353,268
Unrestricted	5,693,854	2,970,237
Total net position	\$ 45,654,648	\$ 35,529,437

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30,

	2021	2020
Operating revenues	\$ 4,724,394	\$ 4,501,512
Operating expenses	6,660,332	6,628,829
Operating loss	(1,935,938)	(2,127,317)
Nonoperating revenues	57,605	60,866
Loss before capital contributions	(1,878,333)	(2,066,451)
Capital contributions	12,003,544	5,280,126
Change in net position	10,125,211	3,213,675
Net position, beginning	35,529,437	32,315,762
Net position, ending	\$ 45,654,648	\$ 35,529,437

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, 2021 AND 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,379,143	\$ 1,970,309
Receivables	4,688,530	3,142,217
Inventory	49,789	54,989
Other current assets	38,059	30,665
Deposits	40,663	40,663
Total current assets	8,196,184	5,238,843
RESTRICTED ASSETS		
Cash and cash equivalents	506,530	1,583,319
Investments	871,650	769,949
Total restricted assets	1,378,180	2,353,268
CAPITAL ASSETS		
Capital assets (not being depreciated)	23,837,575	11,919,910
Capital assets (net of accumulated depreciation and amortization)	22,361,414	20,645,790
Total capital assets	46,198,989	32,565,700
Total assets	55,773,353	40,157,811
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension plan	1,104,478	731,454

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES		
Construction contracts payable	3,695,306	1,690,466
Accounts payable	116,501	79,191
Accrued salaries and related taxes	251,184	232,093
Note payable - current portion	0	10,035
Unearned revenue - current portion	22,966	22,349
Total current liabilities	4,085,957	2,034,134
LONG-TERM LIABILITIES		
Unearned revenue	591,505	607,822
Bond payable	3,921,069	659,267
Net pension liability - proportionate share	2,143,506	1,526,542
Total long-term liabilities	6,656,080	2,793,631
Total liabilities	10,742,037	4,827,765
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension plan	481,146	532,063

NET POSITION

NET INVESTMENT IN CAPITAL ASSETS	38,582,614	30,205,932
RESTRICTED	1,378,180	2,353,268
UNRESTRICTED	5,693,854	2,970,237
Total net position	\$ 45,654,648	\$ 35,529,437

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Rental income	\$ 1,784,714	\$ 1,809,920
Landing and fuel flowage fees	196,580	250,960
Fuel and other FBO revenues	2,581,737	2,184,476
Other operating income	<u>161,363</u>	<u>256,156</u>
Total operating revenues	<u>4,724,394</u>	<u>4,501,512</u>
OPERATING EXPENSES		
Cost of fuel and other FBO revenues	1,054,305	970,628
Other FBO expenses	748,400	812,637
Other general and administrative expenses	2,575,970	2,615,030
Depreciation and amortization	<u>2,281,657</u>	<u>2,230,534</u>
Total operating expenses	<u>6,660,332</u>	<u>6,628,829</u>
Operating loss	<u>(1,935,938)</u>	<u>(2,127,317)</u>
NONOPERATING REVENUES (EXPENSES)		
Appropriation from Consolidated Government of Columbus, Georgia	40,000	40,000
Net investment income (loss)	123,916	(6,495)
Interest expense	(73,336)	(1,536)
Miscellaneous	<u>(32,975)</u>	<u>28,897</u>
Total nonoperating revenues (expenses) - net	<u>57,605</u>	<u>60,866</u>
Loss before capital contributions	<u>(1,878,333)</u>	<u>(2,066,451)</u>
CAPITAL CONTRIBUTIONS		
Grant revenues	11,567,588	4,857,156
Passenger facility charges	106,054	34,117
Customer facility charges	<u>329,902</u>	<u>388,853</u>
Total capital contributions	<u>12,003,544</u>	<u>5,280,126</u>
Change in net position	10,125,211	3,213,675
Net position, beginning	<u>35,529,437</u>	<u>32,315,762</u>
Net position, ending	<u>\$ 45,654,648</u>	<u>\$ 35,529,437</u>

See Notes to Financial Statements.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from airlines	\$ 693,369	\$ 839,062
Other receipts	3,900,387	3,613,833
Payments to suppliers	(2,662,758)	(2,760,897)
Payments to employees	(1,350,760)	(1,535,704)
Net cash provided by operating activities	580,238	156,294
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Appropriation from Consolidated Government of Columbus, Georgia	40,000	40,000
Grants	9,868,721	2,317,287
Passenger facility charges	95,601	30,011
Customer facility charges	329,902	388,853
Purchase of capital assets	(13,910,105)	(3,503,320)
Principal payments on capital leases	(10,035)	(11,490)
Proceeds from bond	3,261,802	659,267
Interest paid	(73,336)	(1,536)
Net cash used in capital and related financing activities	(397,450)	(80,928)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	1,088,557	273,132
Purchase of investments	(1,063,216)	(266,987)
Investment income (loss)	123,916	(6,495)
Other receipts	0	28,896
Net cash provided by investing activities	149,257	28,546
Net increase in cash and cash equivalents	332,045	103,912
Cash and cash equivalents (including restricted cash)		
Beginning	3,553,628	3,449,716
Ending	\$ 3,885,673	\$ 3,553,628

See Notes to Financial Statements.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Reconciliation of operating loss to net cash provided		
by operating activities:		
Operating loss	<u>\$ (1,935,938)</u>	<u>\$ (2,127,317)</u>
Adjustments to reconcile operating loss to net cash		
provided by operating activities:		
Depreciation and amortization	2,281,657	2,230,534
Unearned income recognized	(15,700)	(16,188)
Changes in:		
Receivables	(36,993)	(23,191)
Inventory	5,200	15,486
Other current assets	32,588	(5,467)
Accounts payable	37,310	(16,189)
Other accrued expenses	<u>212,114</u>	<u>98,626</u>
Total adjustments	<u>2,516,176</u>	<u>2,283,611</u>
Net cash provided by operating activities	<u><u>\$ 580,238</u></u>	<u><u>\$ 156,294</u></u>
Reconciliation of total cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 3,379,143	\$ 1,970,309
Restricted assets - cash and cash equivalents	<u>506,530</u>	<u>1,583,319</u>
Total cash and cash equivalents	<u><u>\$ 3,885,673</u></u>	<u><u>\$ 3,553,628</u></u>

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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 2020 financial statements have been reclassified in order to be in conformity with the 2021 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, 2021 were entirely insured or collateralized with securities held by its agent in the Commission’s name.

Restricted Cash

Restricted cash is summarized as follows:

	<u>2021</u>	<u>2020</u>
Passenger facility charges (See Note 10)	\$ 0	\$ 668,948
Customer facility charges (See Note 10)	443,199	885,944
Trust agreement (See Note 5)	<u>63,331</u>	<u>28,427</u>
Total restricted cash	<u>\$ 506,530</u>	<u>\$ 1,583,319</u>

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3: Cash and Investments (continued)

Investments

As of June 30, 2021, the Commission had the following investments:

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Credit Quality Rating (a)</u>	<u>Maturity Dates</u>
Restricted Investments:				
Mutual funds, held in trust				
Growth	\$ 89,471	\$ 71,416	N/A	N/A
Value	52,501	34,985	N/A	N/A
Blend	353,262	277,401	N/A	N/A
Diversified emerging markets	19,999	15,779	N/A	N/A
Fixed income funds	<u>356,417</u>	<u>365,040</u>	N/A	N/A
Total restricted investments	<u>\$ 871,650</u>	<u>\$ 764,621</u>		

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

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3: Cash and Investments (continued)

As of June 30, 2020, the Commission had the following investments:

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Credit Quality Rating (a)</u>	<u>Maturity Dates</u>
Restricted Investments:				
Growth	\$ 12,234	\$ 9,597	N/A	N/A
Value	22,710	21,743	N/A	N/A
Blend	349,352	306,236	N/A	N/A
Diversified emerging markets	35,462	38,182	N/A	N/A
Corporate bonds, held in trust	220,194	206,983	AAA	3.90 - 8.32 years
Corporate bonds, held in trust	32,498	31,143	A	2.88 years
Corporate bonds, held in trust	74,075	66,664	BBB	10.83 years
Corporate bonds, held in trust	<u>23,424</u>	<u>24,229</u>	B	13.14 years
Total restricted investments	<u>\$ 769,949</u>	<u>\$ 704,777</u>		

(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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 4: Receivables

Receivables are summarized as follows:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 256,242	\$ 217,174
Passenger facility charges receivable	14,559	4,106
Customer facility charges receivable	24,038	26,113
Due from Federal Aviation Administration	4,228,235	354,955
Due from Georgia Department of Transportation	<u>165,456</u>	<u>2,539,869</u>
Total receivables	<u>\$ 4,688,530</u>	<u>\$ 3,142,217</u>

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.

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FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5: Investment Activity (continued)

The trust has a fair value of \$934,981 and \$798,376 at June 30, 2021 and 2020, respectively, is recorded as a restricted asset, and is comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 63,331	\$ 28,427
Restricted investments (See Note 3)	<u>871,650</u>	<u>769,949</u>
Total	<u>\$ 934,981</u>	<u>\$ 798,376</u>

The Commission recognized rental income of \$16,317 for each of the years ended June 30, 2021 and 2020. Unearned lease income received of \$607,822 and \$624,139 remaining to be recognized as of June 30, 2021 and 2020, respectively.

Investment Income

Net investment income from all investments is summarized as follows:

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 20,473	\$ 18,842
Fees and other expenses	(47,256)	(14,492)
Realized gain on sale of investments	152,866	939
Change in fair value of investments	<u>(2,167)</u>	<u>(11,784)</u>
Net investment income (loss)	<u>\$ 123,916</u>	<u>\$ (6,495)</u>

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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, 2021 and 2020:

	June 30, 2020	Additions	Deletions	Reclassi- fications	June 30, 2021
Capital assets not depreciated:					
Land parcels	\$ 4,470,262	\$ 0	\$ 0	\$ 0	\$ 4,470,262
Construction in progress	7,449,648	15,379,760	0	(3,462,095)	19,367,313
Total assets not depreciated	<u>11,919,910</u>	<u>15,379,760</u>	<u>0</u>	<u>(3,462,095)</u>	<u>23,837,575</u>
Capital assets depreciated:					
Land improvements	37,261,108	0	0	3,462,095	40,723,203
Easements	1,154,841	0	0	0	1,154,841
Buildings and improvements	21,619,515	0	0	0	21,619,515
Furniture, fixtures and equipment	1,331,581	245,901	0	0	1,577,482
Automobiles, trucks and tractors	1,697,864	289,285	0	0	1,987,149
Development plans	85,787	0	0	0	85,787
Total assets depreciated	<u>63,150,696</u>	<u>535,186</u>	<u>0</u>	<u>3,462,095</u>	<u>67,147,977</u>
Less accumulated depreciation/amortization:					
Land improvements	(24,785,149)	(1,560,764)	0	0	(26,345,913)
Easements	(786,813)	(16,886)	0	0	(803,699)
Buildings and improvements	(14,227,858)	(568,171)	0	0	(14,796,029)
Furniture, fixtures and equipment	(1,265,843)	(37,184)	0	0	(1,303,027)
Automobiles, trucks and tractors	(1,421,474)	(91,063)	0	0	(1,512,537)
Development plans	(17,769)	(7,589)	0	0	(25,358)
Total	<u>(42,504,906)</u>	<u>(2,281,657)</u>	<u>0</u>	<u>0</u>	<u>(44,786,563)</u>
Total capital assets being depreciated, net	<u>20,645,790</u>	<u>(1,746,471)</u>	<u>0</u>	<u>3,462,095</u>	<u>22,361,414</u>
Capital assets (net)	<u>\$ 32,565,700</u>	<u>\$ 13,633,289</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,198,989</u>

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

	June 30, 2019	Additions	Deletions	Reclassi- fications	June 30, 2020
Capital assets not depreciated:					
Land parcels	\$ 4,470,262	\$ 0	\$ 0	\$ 0	\$ 4,470,262
Construction in progress	3,328,131	4,806,676	0	(685,159)	7,449,648
Total assets not depreciated	<u>7,798,393</u>	<u>4,806,676</u>	<u>0</u>	<u>(685,159)</u>	<u>11,919,910</u>
Capital assets depreciated:					
Land improvements	36,664,336	0	0	596,772	37,261,108
Easements	1,154,841	0	0	0	1,154,841
Buildings and improvements	21,577,869	0	0	41,646	21,619,515
Furniture, fixtures and equipment	1,314,540	0	0	17,041	1,331,581
Automobiles, trucks and tractors	1,668,164	0	0	29,700	1,697,864
Development plans	85,787	0	0	0	85,787
Total assets depreciated	<u>62,465,537</u>	<u>0</u>	<u>0</u>	<u>685,159</u>	<u>63,150,696</u>
Less accumulated depreciation/amortization:					
Land improvements	(23,241,551)	(1,543,598)	0	0	(24,785,149)
Easements	(769,927)	(16,886)	0	0	(786,813)
Buildings and improvements	(13,660,512)	(567,346)	0	0	(14,227,858)
Furniture, fixtures and equipment	(1,244,213)	(21,630)	0	0	(1,265,843)
Automobiles, trucks and tractors	(1,347,989)	(73,485)	0	0	(1,421,474)
Development plans	(10,180)	(7,589)	0	0	(17,769)
Total	<u>(40,274,372)</u>	<u>(2,230,534)</u>	<u>0</u>	<u>0</u>	<u>(42,504,906)</u>
Total capital assets being depreciated, net	<u>22,191,165</u>	<u>(2,230,534)</u>	<u>0</u>	<u>685,159</u>	<u>20,645,790</u>
Capital assets (net)	<u>\$ 29,989,558</u>	<u>\$ 2,576,142</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,565,700</u>

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NOTE 7: Note Payable

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%. The note was paid in full as of June 30, 2021.

NOTE 8: Bond

On May 21, 2020, the Commission issued Taxable Revenue Bond, Series 2020 in the amount of \$8,500,000. Proceeds from the bonds are to be used for partial financing of the renovation of the commercial air terminal at the Columbus Airport and related improvements. The bond is the sole obligation of the Commission, and financing is made initially on a revolving, draw basis during the draw period expiring May 21, 2022. The Commission has assigned all assets, certain grant and other revenues, leases and rents, as defined under the terms of the bond and related security and assignment agreements, to secure payment on the bond. Interest is accrued at 3.17% and paid monthly beginning June 2020. On May 21, 2022, a principal payment is required to reduce the outstanding indebtedness on the bond to \$6,200,810. Commencing June 21, 2022, monthly principal payments of 1/240th of the outstanding balance of the bond are required through the maturity date of May 1, 2042. The bonds may be called at any date on or after May 21, 2027. Subsequent to this date, interest accrues at the maximum rate or an amended interest rate as defined in the Bond Agreement. The outstanding balance of the bond was \$3,921,069 and \$659,267 as of June 30, 2021 and 2020, respectively.

NOTE 9: Unearned Revenue

Unearned revenue consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deposits	\$ 6,649	\$ 6,032
Unearned lease income - ground lease (See Note 5)	<u>607,822</u>	<u>624,139</u>
Total unearned revenue	614,471	630,171
Current portion	<u>(22,966)</u>	<u>(22,349)</u>
Unearned revenue - long-term portion	<u>\$ 591,505</u>	<u>\$ 607,822</u>

COLUMBUS AIRPORT COMMISSION
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NOTE 10: Capital Contributions

The FAA approved collection of a passenger facility charge (“PFC”) of \$4.50 per passenger beginning January 1, 2020 with an expiration date of April 1, 2029. The charges are collected and remitted by the air carriers and can only be used for approved projects. Cash in the amount of \$0 and \$668,948 as of June 30, 2021 and 2020, 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 \$443,199 and \$885,944 as of June 30, 2021 and 2020, respectively, is restricted for those specified capital projects.

NOTE 11: Leases

Total amounts of rental income, under operating leases, for the year ended June 30, 2021 are as follows:

	BASE RENTS	CONTINGENT RENTS	TOTAL
Airlines	\$ 67,503	\$ 82,977	\$ 150,480
Auto rentals	677,051	151,801	828,852
Other lessees	802,490	2,892	805,382
Total	<u>\$ 1,547,044</u>	<u>\$ 237,670</u>	<u>\$ 1,784,714</u>

Total amounts of rental income, under operating leases, for the year ended June 30, 2020 are as follows:

	BASE RENTS	CONTINGENT RENTS	TOTAL
Airlines	\$ 67,503	\$ 119,607	\$ 187,110
Auto rentals	676,084	167,968	844,052
Other lessees	773,027	5,731	778,758
Total	<u>\$ 1,516,614</u>	<u>\$ 293,306</u>	<u>\$ 1,809,920</u>

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 11: 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, 2021 are summarized as follows:

	<u>AUTO RENTALS</u>	<u>OTHER</u>	<u>MINIMUM RENTALS</u>
Year ending June 30,			
2022	\$ 281,355	\$ 232,053	\$ 513,408
2023	0	220,271	220,271
2024	0	210,631	210,631
2025	0	210,940	210,940
2026	0	212,328	212,328
Later years	0	731,372	731,372
Total future minimum rentals	<u>\$ 281,355</u>	<u>\$ 1,817,595</u>	<u>\$ 2,098,950</u>

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

	<u>2021</u>	<u>2020</u>
Cost	\$ 9,200,531	\$ 9,200,531
Accumulated depreciation	<u>(7,134,512)</u>	<u>(6,923,605)</u>
Net book value	<u>\$ 2,066,019</u>	<u>\$ 2,276,926</u>

NOTE 12: Grant Revenues

During the years ended June 30, 2021 and 2020, the Commission earned FAA grant awards of \$10,690,526 and \$3,101,369 related to construction expenditures incurred. The Federal FAA grant awards reimburse approximately 90% of associated costs. In addition, the Georgia Department of Transportation reimburses a portion of the related expenditures at 5% and other construction related expenditures at 75% for approximately \$677,062 and \$552,717 for the years ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2021, the Commission purchased a fire truck with a fair market value of \$200,000 for \$1. During the year ended June 30, 2020, pursuant to provisions of the CARES Act, the Commission incurred operating expenditures eligible for full reimbursement under a grant by the FAA in the amount of \$1,203,070.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 13: 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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: 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, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 represent 0.73%, 1.03%, 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, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 represent 0.83%, 1.04%, 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, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 represent 0.83%, 1.04%, 0.96%, 0.87%, 0.80%, 0.82%, and 0.85%, respectively, of the required minimum contributions for the plan as a whole.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: Employee Benefit Plans (continued)

Contributions

The contributions for the Commission for the years ending June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 were as follows:

	<u>Plan as a Whole</u>		<u>Contribution Paid by Commission</u>
	<u>Contribution as a Percentage of Covered Payroll</u>	<u>Contribution as a Percentage of Required Contribution</u>	
<u>Public Safety Pension Plan</u>			
2021	18.71%	100%	57,816
2020	16.25%	100%	93,527
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
 <u>General Pension Plan</u>			
2021	8.71%	100%	65,580
2020	7.93%	100%	63,361
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
 <u>Death Benefit Plan for Retirees</u>			
2021	0.20%	100%	2,118
2020	0.23%	100%	3,114
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

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COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: Employee Benefit Plans (continued)

	<u>Plan as a Whole</u>		<u>Contribution Paid by Commission</u>
	<u>Contribution as a Percentage of Covered Payroll</u>	<u>Contribution as a Percentage of Required Contribution</u>	
<u>Disability Benefit Plan</u>			
2021	0.29%	100%	2,975
2020	0.34%	100%	4,431
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

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

At June 30, 2021, the Commission reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2019. An expected total pension liability as of June 30, 2020 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, 2020 (measurement period) of \$164,633. At June 30, 2020, the Commission's proportion of the net pension liability was 1.0700% and 0.9115%, which was an increase of 0.1585% from its proportion measured as of June 30, 2019.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: Employee Benefit Plans (continued)

For the years ended June 30, 2021 and 2020, the Commission recognized pension expense of \$331,350 and \$257,060, respectively. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions *	\$ 679,703	\$ 14,562	\$ 413,796	\$ 9,235
Difference between expected and actual experience *	10,438	463,764	11,934	388,981
Net difference between projected and actual earnings on pension plan investments *	127	2,820	0	124,640
Changes in proportion and differences between Employer contributions and proportionate share of contributions *	285,721	0	141,091	9,207
Employer contributions subsequent to the measurement date	<u>128,489</u>	<u>0</u>	<u>164,633</u>	<u>0</u>
Totals	<u>\$ 1,104,478</u>	<u>\$ 481,146</u>	<u>\$ 731,454</u>	<u>\$ 532,063</u>

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

Year ended June 30:	
2022	\$ 61,263
2023	93,421
2024	102,823
2025	104,243
2026	79,736
Thereafter	<u>53,357</u>
Net deferred outflows of resources	<u>\$ 494,843</u>

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: Employee Benefit Plans (continued)

Actuarial assumptions – The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate: 5.86% per annum (2.1% 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 PUB-2010 Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2017.

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.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: 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: none

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

Asset Class	Target Allocation	Expected Long-term Real Return per Annum
U.S. large cap equity	43.00%	4.56%
U.S. small/mid cap equity	6.00%	4.84%
Non-U.S. developed large equity	8.00%	4.63%
Emerging markets equity	2.00%	5.81%
U.S. aggregate fixed income	10.00%	2.28%
U.S. short-term fixed income	9.00%	1.99%
U.S. long-term fixed income	11.00%	2.27%
U.S. high-yield fixed income	4.00%	3.93%
Non-U.S. broad fixed income	3.00%	1.46%
U.S. real estate	4.00%	4.16%
Total or weighted arithmetic average	100.00%	3.76%

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: 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 5.86%, 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 (4.86%) or 1-percentage-point higher (6.86%) than the current rate:

	1% Decrease 4.86%	Current discount rate 5.86%	1% Increase 6.86%
Commission's proportionate share of the net pension liability	\$3,136,988	\$2,143,506	\$1,330,220

NOTE 14: Commitments and Contingencies

The Commission is under obligation for construction contracts related to various improvements in the amount of approximately \$14.8 million at June 30, 2021. As of that date, approximately \$12.5 million had been spent, leaving an uncompleted contractual obligation of approximately \$2.3 million. Certain expenditures for these construction contracts are reimbursed at 90% of the cost through the Federal Airport Improvement Program grants and 5% reimbursable via Georgia Department of Transportation Grants.

NOTE 15: Risks and Uncertainties

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.

In early 2020, the United States of America declared a state of emergency due to a novel strain of coronavirus (“COVID-19”). The extent of the impact of COVID-19 on the Commission’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, vendors, and aeronautical industry as a whole. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain and cannot be reasonably estimated.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Defined Benefit Pension Plans

Schedule of Proportionate Share of the Net Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commission's proportion of the net pension liability	1.0339%	0.8896%	0.8808%
Commission's proportionate share of the net pension liability	\$ 2,143,506	\$ 1,526,542	\$ 1,511,402
Commission's covered-employee payroll	\$ 1,342,855	\$ 1,101,871	\$ 1,338,612
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	159.62%	138.54%	112.91%
Plan fiduciary net position as a percentage of the total pension liability	70.49%	74.45%	72.81%
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net pension liability	74.3300%	0.8157%	0.7778%
Commission's proportionate share of the net pension liability	\$ 1,275,504	\$ 1,410,265	\$ 1,289,143
Commission's covered-employee payroll	\$ 1,220,061	\$ 1,141,344	\$ 1,070,683
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.54%	123.56%	120.40%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	69.32%	68.98%
	<u>2015</u>		
Commission's proportion of the net pension liability	0.7082%		
Commission's proportionate share of the net pension liability	\$ 1,180,569		
Commission's covered-employee payroll	\$ 1,063,089		
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	111.05%		
Plan fiduciary net position as a percentage of the total pension liability	68.70%		

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Defined Benefit Pension Plans (Continued)

<u>Schedule of Contributions</u>	2021			2020		
	Pension	Death benefit	Disability income	Pension	Death benefit	Disability income
Contractually required contribution	\$ 123,396	\$ 2,118	\$ 2,975	\$ 157,088	\$ 3,114	\$ 4,431
Contributions in relation to the contractually required contribution	<u>123,396</u>	<u>2,118</u>	<u>2,975</u>	<u>157,088</u>	<u>3,114</u>	<u>4,431</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Commission's covered-employee payroll	\$ 1,391,095	\$ 1,391,095	\$ 1,391,095	\$ 1,342,855	\$ 1,342,855	\$ 1,342,855
Contributions as a percentage of covered-employee payroll	8.87%	0.15%	0.21%	11.70%	0.23%	0.33%
<u>Schedule of Contributions</u>	2019			2018		
	Pension	Death benefit	Disability income	Pension	Death benefit	Disability income
Contractually required contribution	\$ 176,687	\$ 2,990	\$ 4,089	\$ 148,012	\$ 3,837	\$ 3,639
Contributions in relation to the contractually required contribution	<u>176,687</u>	<u>2,990</u>	<u>4,089</u>	<u>148,012</u>	<u>3,837</u>	<u>3,639</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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	16.04%	0.27%	0.37%	11.06%	0.29%	0.27%
<u>Schedule of Contributions</u>	2017			2016		
	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	<u>147,936</u>	<u>3,582</u>	<u>3,553</u>	<u>178,159</u>	<u>2,568</u>	<u>2,707</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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%

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Defined Benefit Pension Plans (Continued)

<u>Schedule of Contributions</u>	2015		
	Pension	Death benefit	Disability income
Contractually required contribution	\$ 198,717	\$ 3,557	\$ 2,572
Contributions in relation to the contractually required contribution	<u>198,717</u>	<u>3,557</u>	<u>2,572</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
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 total pension liability in the July 1, 2019 actuarial valuation. The mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Mortality Table with full generational improvements in mortality using Scale MP-2017.

Valuation date:	July 1, 2019
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:	2.10%
Salary increases:	3.25%
Investment rate of return:	5.86%

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

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, 2021, 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 17, 2021.

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 Commission'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 identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2021-1).

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 17, 2021.

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

Robinson, Grimes + Company, P.C.

Certified Public Accountants

November 17, 2021

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, 2021. 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.

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, 2021.

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 Commissioners
Columbus Airport Commission
Page 3

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 17, 2021

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL EXPENDITURES</u>
DEPARTMENT OF TRANSPORTATION		
Federal Aviation Administration	20.106	<u>\$ 12,473,914</u>

See Independent Auditor's Report.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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 PASSENGER FACILITY CHARGE REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

	Quarter Ending				TOTAL
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
Obstruction and Mitigation - Application #6					
PFC revenues					
PFC revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	32	32	32	32	128
Total PFC revenues	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>128</u>
PFC expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total PFC net revenues and expenditures	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 128</u>
	Quarter Ending				TOTAL
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	
Terminal Renovation - Application #7					
PFC revenues					
PFC revenue	\$ 10,137	\$ 27,915	\$ 23,072	\$ 34,341	\$ 95,465
Interest	1	1	2	4	8
Total PFC revenues	<u>10,138</u>	<u>27,916</u>	<u>23,074</u>	<u>34,345</u>	<u>95,473</u>
PFC expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total PFC net revenues and expenditures	<u>\$ 10,138</u>	<u>\$ 27,916</u>	<u>\$ 23,074</u>	<u>\$ 34,345</u>	<u>\$ 95,473</u>

The Schedule of Expenditures of Passenger Facility Charges has been prepared utilizing the cash basis of accounting. Under this method, revenues are recorded when received and expenses are recorded when paid.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Auditor's Results

1. An unmodified opinion, dated November 17, 2021, was issued on the financial statements for the year ended June 30, 2021.
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 17, 2021, disclosed one significant deficiency for the year ended June 30, 2021.
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 17, 2021, disclosed no instances of noncompliance for the year ended June 30, 2021.
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 17, 2021, 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, 2021.
5. An unmodified opinion, dated November 17, 2021, 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, 2021.
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, 2021.
7. The Columbus Airport Commission's major program for the year ended June 30, 2021 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 not qualify as a low-risk auditee for the year ended June 30, 2021 as described in section 200.520 of the Uniform Guidance.

COLUMBUS AIRPORT COMMISSION
COLUMBUS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Financial Statement Findings

Finding 2021-1

Significant Deficiency – 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 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 knowledge of all disclosure requirements.

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

Recommendation: The Commission's personnel should consider continued investment in the accounting department in order to maintain the necessary familiarity required with the appropriate accounting and disclosure requirements of GAAP.

Responsible Official's Response: The Commission will allocate adequate resources for the maintenance of accounting department staffing and operational needs and will continue to request that the auditors prepare the annual financial statements.