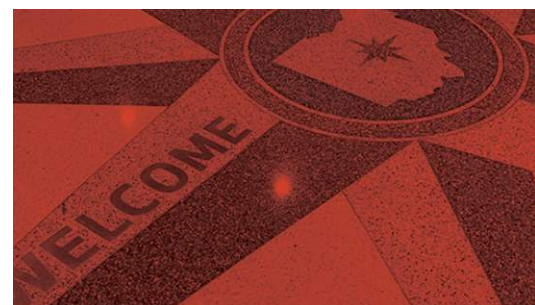


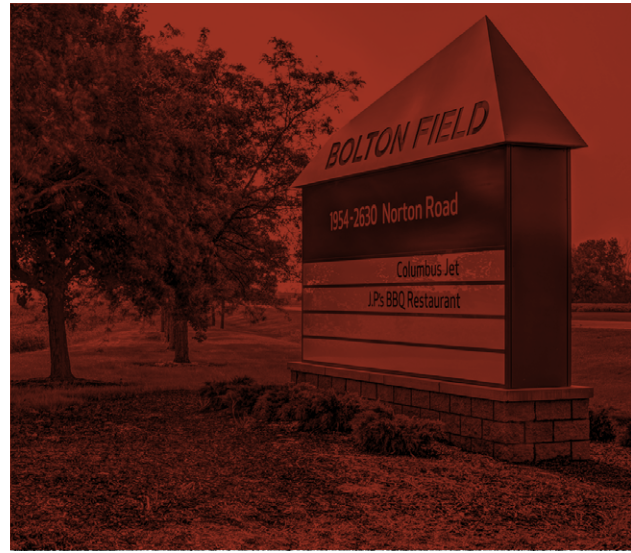
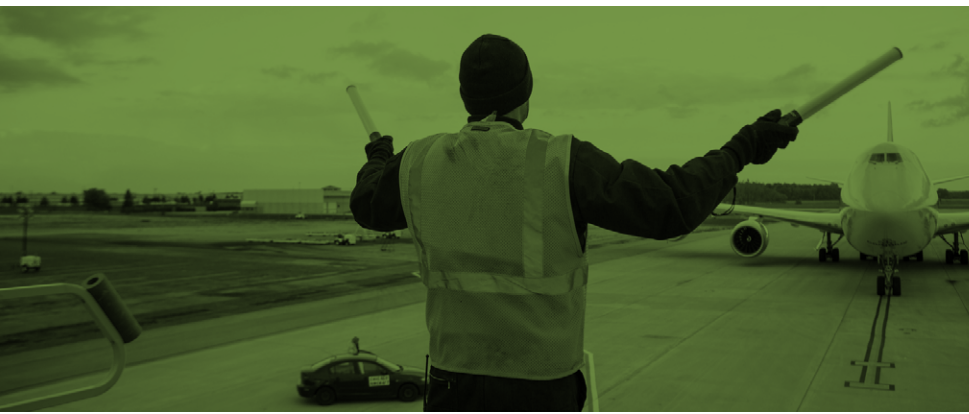


COLUMBUS
REGIONAL AIRPORT AUTHORITY

Comprehensive Annual Financial Report

Columbus Regional Airport Authority
Columbus, Ohio
For the Years Ended December 31, 2018 and 2017





Comprehensive Annual Financial Report

*Columbus Regional Airport Authority
Columbus, Ohio
For the Years Ended December 31, 2018 and 2017*

Prepared by:

Randy Bush, CPA, CGMA, CIA
Chief Financial Officer

Paul Streitenberger, CPA, CGMA
Director, Accounting & Finance

Table of Contents

Introductory Section:

Letter of Transmittal	4-9
Board of Directors	10
Organization Chart and Senior Management	11
Certificate of Achievement	12

Financial Section:

Independent Auditor's Report	14-16
Management's Discussion and Analysis	17-29

Basic Financial Statements:

Statements of Net Position	30-31
Statements of Revenues, Expenses, and Changes in Net Position	32
Statements of Cash Flows	33
Notes to Financial Statements	34-64

Required Supplementary Information:

Supplemental Schedule of the Authority's Proportionate Share of the Net Pension Liability	65
Supplemental Schedule of the Authority's Pension Contributions	66
Supplemental Schedule of Authority's Proportionate Share of the Net OPEB Liability	67
Supplemental Schedule of the Authority's OPEB Contributions to State Pension Fund	67
Notes to Required Supplementary Information	68
Supplemental Schedule of Revenues and Expenses: Budget vs. Actual-Budget Basis	69

Statistical Section:

Financial Trends and Revenue Capacity:

Revenues and Expenses by Type	71
Revenues and Expenses by Area	72
Total Annual Revenues, Expenses, and Changes in Net Position	73
Statements of Net Position	74
Schedule of Insurance in Force	75

Debt Capacity

Ratios of Outstanding Debt	76
Schedule of Debt and Obligation Coverages	77

Operating Information

Capital Asset Statistics By Function	78
Air Commerce Trends – John Glenn Columbus International Airport	79
Air Commerce Trends – Rickenbacker International Airport	80
Airline Cost Per Enplaned Passenger – John Glenn Columbus International Airport	81
Air Carrier Market Shares – John Glenn Columbus International Airport	82

Economic and Demographic Information:

Top Ten Customers	83
Budgeted Employees By Department	84
Largest Employers in the Greater Columbus Area	85
Estimated Civilian Labor Force and Annual Average Unemployment Rates	86
Population and Personal Income Statistics	87

Compliance Section:

Independent Auditor's Report on Compliance	89-93
Schedule of Expenditures of Federal Awards	94
Schedule of Expenditures of Passenger Facility Charges	95
Notes to Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges	96
Schedule of Findings and Questioned Costs	97



Introductory Section

This section contains the following subsections:

Letter of Transmittal

Board of Directors

Organization Chart and Senior Management

Certificate of Achievement



April 23, 2019

Board of Directors

William R. Heifner

Chair

Jordan A. Miller, Jr.

Vice Chair

Dr. Frederic Bertley, Ph.D.

Don M. Casto, III

Paul Chodak, III

Elizabeth P. Kessler, Esq.

Karen Morrison

Susan Tomasky

Terrance Williams

Joseph R. Nardone

President & CEO

To the Board of Directors

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the years ended December 31, 2018 and 2017 is proudly prepared and presented by your Accounting/Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the community we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the years ending December 31, 2018, 2017 and 2016 is presented in the Management's Discussion and Analysis (MD&A) found in the Financial Section.

This CAFR has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). It is our belief that the accompanying 2018 CAFR meets program standards, and it will be submitted to the GFOA for review.

Reporting Entity

The Authority is an independent, special purpose political subdivision of the State of Ohio. It was created as a body corporate and politic on July 30, 1990, by action of the Columbus City Council pursuant to the provisions of the Ohio Revised Code Chapter 4582. On November 10, 1991 (the transfer date), the Authority began operations under a use agreement with the City of Columbus (City) for the purpose of providing airport facilities to the general public. On January 1, 2003, the assets and liabilities of the former Rickenbacker Port Authority, principally the Rickenbacker International Airport, were merged into the Columbus Municipal Airport Authority and the surviving entity was renamed the Columbus Regional Airport Authority. In December 2007, the Authority paid

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JOHN GLENN
INTERNATIONAL

RICKENBACKER
INLAND PORT

BOLTON
FIELD

the City the remaining balance on the airport general obligation bonds and received title to the airport property relating to the use agreement. Additional information describing this event may be found in the Overview of the Financial Statements section of the MD&A and in Note 1 to the financial statements.

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

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

Economic Conditions and Outlook

Economic conditions have continued to improve for our community and have positively impacted the aviation and logistics industries. The financial condition of the Authority is primarily dependent upon the number of passengers using John Glenn Columbus International Airport and air cargo activity occurring at Rickenbacker International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry, which influences the airlines' willingness and ability to provide service; the available seating capacity of carriers who serve our market; the local economy which influences the willingness and ability of consumers to purchase air travel; and the cost of air travel. Air cargo activity is dependent on several factors, including: the strength of the U.S. economy; policies regarding the globalization of business; inventory practices and shipping methods; and the cost and location of airports that are competing for these activities. When considering these factors, the Authority anticipates moderate growth for the foreseeable future.

The economy of the Greater Columbus area, including Franklin County and the ten surrounding counties, has encountered better than expected economic improvement compared to the State of Ohio and the nation in 2018. The 2018 average preliminary unemployment rate as of the December report provided by the U.S. Bureau of Labor Statistics of 3.8% was below that of Ohio (4.5%) and the United States (3.9%). A balance among manufacturing, education and health services, technology, retail, research, government and financial activities has helped the Columbus economy to better survive periods of slow growth. Unlike most other large cities, Columbus is not dependent upon one or two industries for its major economic strength and no single activity dominates the economy.

The diversity among Greater Columbus' top six employers – The Ohio State University, Ohio Health, Wal-Mart Stores Inc., State of Ohio, JP Morgan Chase & Co., and Nationwide Mutual Insurance Co. – is representative of the local economy as a whole. The variety represented by these six employers, which together account for more than 140,000 jobs in Central Ohio, assures that the local economy can withstand some economic slowdowns.

John Glenn International serves 47 airports with nearly 160 peak day departures by 7 airlines. In 2018, the Authority served over 8.4 million passengers, up 7.7% from the previous year. Additional data can be found in the Statistical Section of this CAFR.

Meanwhile, 300.0 million pounds of cargo moved through the Rickenbacker Inland Port in 2018 as compared to 256.0 million pounds in 2017. In 2018, 307,247 total passengers used the Rickenbacker Charter Terminal as

compared to 266,624 in 2017. Furthermore, contributing to increased cargo activity at Rickenbacker is the continued increase in frequency of scheduled freighter service by major multinational carriers.

Initiatives and *Development*

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

During 2018, more than 8.1 million passengers traveled through John Glenn International Airport (CMH), up 7.7% from 2017, making it the airport's busiest year in history. Spirit Airlines, an ultra-low-cost carrier, started daily seasonal non-stop flights to seven U.S. cities in February 2018. Southwest, which serves 19 destinations, added Houston-Lobby and Cancun. American Airlines added an additional daily flight to Los Angeles.

2018 was also the best on record for Rickenbacker International Airport (LCK) and Rickenbacker Inland Port. International exports increased 35% from 2017, showing more of our partners are realizing the value of shipping goods out of LCK. Additionally, passenger activity supported by Allegiant increased 16% from 2017. Allegiant serves 11 destinations from Rickenbacker.

In 2018, the Authority gave the green light to construct a new consolidated rental-car facility and a Residence Inn by Marriott at John Glenn. This begins a 2-phase program that includes the construction of a new terminal building, associated roadway improvements, airside improvements including new aircraft parking areas and taxiway improvements, public parking and rental car facilities, fuel farm upgrades and a new hotel. The remaining components of this program will be constructed when demand for these facilities is needed.

Internal *Control Framework*

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

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

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

Budgetary Controls and Policies

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

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

Activity Highlights

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

	2018	2017	% Change
Airline Cost	\$ 32,275,852	\$ 29,611,183	9.0
Enplanements	4,075,851	3,784,507	7.7
Cost Per Enplaned Passenger	\$ 7.92	\$ 7.82	1.3

Throughout its existence, the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers, tenants and visitors. It also has diligently controlled the costs passed on to its family of airlines. Airline cost per enplaned passenger (CPE) — the standard employed by the air carriers to determine the relative cost of operating at an airport — is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. For 2018 and 2017, the airline CPE at John Glenn International has remained competitive at \$7.90 and \$7.82 respectively. CPE continues to compare favorably with other medium hub airports, further reinforcing John Glenn International's reputation as a cost-effective, airline-friendly facility.

Independent Audit

The Authority's independent auditing firm, Plante & Moran, PLLC, has rendered an unqualified opinion that the Authority's financial statements for December 31, 2018 and 2017 and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Plante & Moran, PLLC, met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1996 and related Office of Management and Budget (OMB) Circular A-133. The independent auditors' reports issued based upon work performed in accordance with those requirements noted no instances of noncompliance by the Authority with any applicable state or federal laws or regulations or other matters that are required to be reported for the fiscal year ended December 31, 2018. A copy of the report can be found in the Compliance Section of this CAFR.

Certificate of Achievement

I am most proud to report that the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

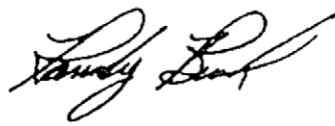
A Certificate of Achievement is valid for a period of one year only. The Authority has received this prestigious award for the last twenty-six consecutive years, ended December 31, 2017. This is a reflection of the experienced and passionate Accounting/Finance team here at the Authority and their desire to provide outstanding information to our community. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

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

Respectfully submitted,

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

Randy Bush, CPA, CGMA

Chief Financial Officer

Board of Directors



Chair

William R. Heifner
President
Renier Construction



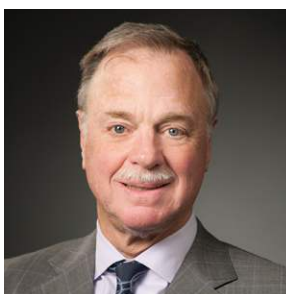
Vice Chair

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



Directors

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



Don M. Casto, III
President & Owner
CASTO



Karen Morrison
President
Ohio Health Foundation

Senior Vice President
of External Affairs
Ohio Health Corporation



Paul Chodak III
Executive Vice President,
Utilities
American Electric Power



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



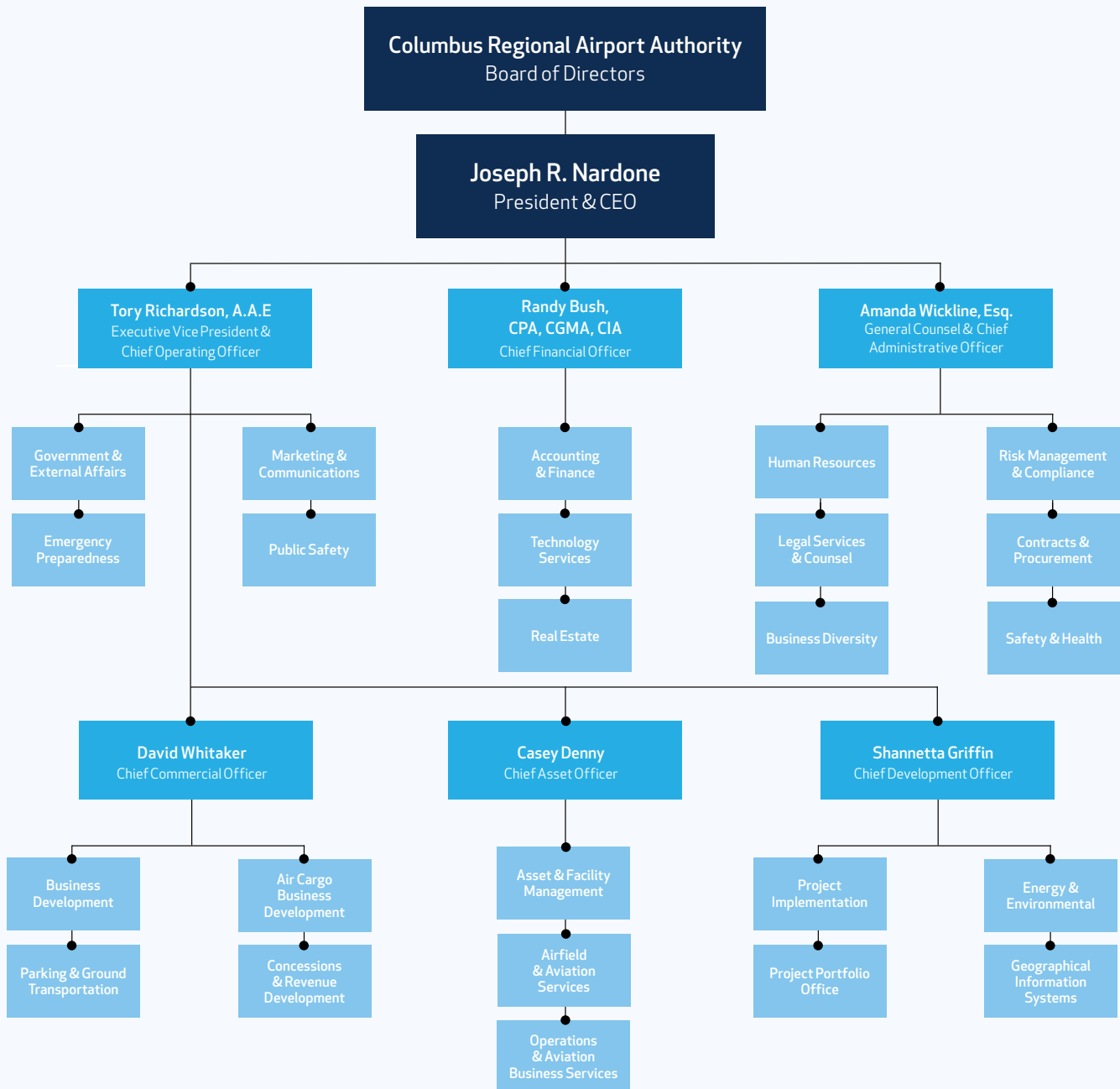
Susan Tomasky
President - Retired
AEP Transmission American
Electric Power



Terrance Williams
Executive Vice President
Chief Marketing Officer
Nationwide

Organization Chart

and Senior Management



Senior Management

Kristen A. Easterday, Director, Government & External Affairs

Ronald Gray, Chief of Police

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

James W. Lizotte, PMP Director, Technology Services

Julie Pemberton, ARM, RIMS-CRMP Director, Risk Management & Compliance

Brian J. Sarkis, Director, Project Implementation

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

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



Government Finance Officers Association

**Certificate of
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Presented to

**Columbus Regional Airport Authority
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

Report on the Financial Statements

We have audited the accompanying basic financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the years ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Directors
Columbus Regional Airport Authority

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Columbus Regional Airport Authority as of December 31, 2018 and 2017 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 17 to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in the Authority restating net position for the recognition of the Authority's other postemployment benefit-related activity incurred prior to January 1, 2018. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbus Regional Airport Authority's basic financial statements. The supplemental schedule of revenue and expenses: budget vs. actual-budget basis, schedule of expenditures of federal awards, and schedule of expenditures of passenger facility charges, the introductory section, and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance").

To the Board of Directors
Columbus Regional Airport Authority

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2019 on our consideration of Columbus Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus Regional Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 20, 2019

Management's Discussion and Analysis

The following unaudited Management's Discussion and Analysis (MD&A) of the Columbus Regional Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2018 and 2017. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

Overview of the *Financial Statements*

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

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

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

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

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

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

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

Significant Events

John Glenn and Rickenbacker airports experience continued growth during 2018

John Glenn Columbus International Airport (CMH) and Rickenbacker International Airport (LCK) helped drive the growth of Columbus, the fastest-growing metropolitan area in the Midwest, with expanded flights for both passengers and cargo. Passengers at CMH and LCK totaled 8.4 million, with more than 8.1 million passengers traveling through CMH in 2018, up 7.5 percent from 2017 making it the airport's busiest year in history. While more than 300 million pounds of cargo flew through LCK in 2018, which represents a nearly 18 percent increase from 2017.

John Glenn International Airport approves construction of new Rental-Car Facility

John Glenn Columbus International Airport announced the approval of construction of a \$140 million consolidated rental-car facility to alleviate unprecedented demand on garage parking. The construction which begins in 2019 will allow the Authority to reclaim 2 levels of the long-term parking garage and add an additional 1,400 parking places for the public.

\$12.9 billion economic impact from CRAA airports and Foreign Trade Zone 138

The airports and business segments operated by the Columbus Regional Airport Authority (CRAA) generate more than 58,730 jobs that create \$3.1 billion in annual payroll, driving \$12.9 billion in annual economic activity in the state of Ohio, according to an independent economic impact study findings. This reflects a significant growth since 2012 and touts the claim of one of the fastest growing metropolitan areas in the Midwest.

Financial Highlights

The Authority's overall financial position improved during 2018 as evidenced by our continued growth in total net position and the reduction in outstanding debt as well as our continued strong liquidity position.

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

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

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

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

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

A summary of the Authority's financial highlights for the year 2017 is as follows:

The Authority's Total Assets increased \$10.6 million over 2016. Current Assets decreased \$4.5 million as a result of decreased cash and equivalents and short term investments. Non-Current Assets (Unrestricted and Restricted) increased \$15.0 million primarily due to increased restricted and unrestricted investments, and restricted cash and equivalents offset by a decrease in Capital Assets.

Total Liabilities decreased \$4.5 million over 2016. The decrease is primarily the result of a decrease in unearned rental income and long-term debt offset by an increase in net pension liability.

Total 2017 Operating Revenues were favorable to budget by \$305,374 as a result of increased airline, concession and cargo revenues offset by a decrease in parking revenues. Compared to 2016, total Operating Revenues increased \$8.4 million. The increase is primarily a result of higher revenue received from parking, airlines and cargo operations.

Total 2017 Operating Expenses were unfavorable to budget by \$4.5 million related to increased employee wages & benefits and purchase of services. Compared to 2016, total Operating Expenses increased \$8.0 million. The increase is primarily a result of an increase associated with employee wages & benefits and purchased services.

Financial Position

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

	Dollars in 000's			% Change	
	2018	2017	2016	2018	2017
ASSETS					
Current Assets - Unrestricted	\$ 73,726	\$ 71,541	\$ 75,994	3.1	-5.9
Capital Assets	760,545	758,463	760,733	0.3	-0.3
Other Non-Current Assets - Unrestricted	31,857	34,091	29,859	-6.6	14.2
Other Non-Current Assets - Restricted	104,162	83,747	70,702	24.4	18.5
Total Assets	970,290	947,842	937,288	2.4	1.1
DEFERRED OUTFLOWS OF RESOURCES					
Pensions and OPEB	9,187	16,904	12,027	-45.7	40.6
Total Deferred Outflows of Resources	9,187	16,904	12,027	-45.7	40.6
LIABILITIES					
Current Liabilities - Unrestricted	28,687	26,994	28,321	6.3	-4.7
Long-Term Liabilities - Restricted	21,144	20,151	19,388	4.9	3.9
Long-Term Liabilities - Unrestricted	110,850	113,037	116,965	-1.9	-3.4
Total Liabilities	160,681	160,182	164,674	0.3	-2.7
DEFERRED INFLOWS OF RESOURCES					
Bond Refunding, Pensions, and OPEB	8,329	678	1,028	1,128.5	-34.0
Total Deferred Inflows of Resources	8,329	678	1,028	1,128.5	-34.0
NET POSITION					
Net Investment In Capital Assets	679,579	667,630	660,463	1.8	1.1
Net Position - Restricted	102,829	83,063	70,192	23.8	18.3
Net Position - Unrestricted	28,059	53,193	52,958	-47.3	0.4
Total Net Position	\$ 810,467	\$ 803,886	\$ 783,613	0.8	2.6

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

The net pension liability (NPL) reported by the Authority at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities

related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

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

The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$810.5 million, a \$6.6 million increase over December 31, 2017. The largest portion of the Authority's net position each year (\$679.6 million or 83.85% at December 31, 2018) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

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

The remaining unrestricted net position of \$28.1 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

An analysis of significant changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the year 2017 is as follows:

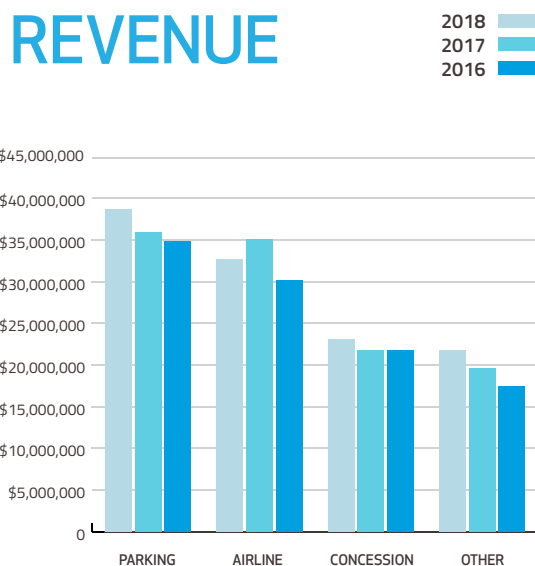
The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$803.9 million, a \$20.3 million increase over December 31, 2016. The largest portion of the Authority's net position each year (\$667.6 million or 83.05% at December 31, 2017) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position (\$83.1 million or 10.3% at December 31, 2017) represents resources that are restricted for the funding of bond reserves and capital projects. These resources are not available for new spending because they have already been committed to fund bond reserves and capital projects.

The remaining unrestricted net position of \$53.0 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

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

	Dollars in 000's			% Change	
	2018	2017	2016	2018	2017
Parking Revenue	\$ 38,694	\$ 36,006	\$ 34,821	7.5	3.4
Airline Revenue	32,676	35,125	30,215	-7.0	16.3
Concession Revenue	23,152	21,800	21,791	6.2	0.0
Cargo Operations Revenue	7,791	6,488	5,338	20.1	21.5
Hotel Operations Revenue	4,615	4,492	4,605	2.7	-2.5
General Aviation Revenue	3,631	3,524	3,276	3.0	7.6
Foreign Trade Zone Fees	310	320	325	-3.1	-1.5
Other Revenue	5,869	4,820	3,846	21.8	25.3
Total Operating Revenues	\$ 116,738	\$ 112,575	\$ 104,217	3.7	8.0



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

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

An analysis of significant changes in revenues for the year 2017 is as follows:

- Airline Revenue increased \$4.9 million or 16.3%. This increase is related to an increase in landing fees and rental rates offset by a decrease in airline credits over 2016.
- Cargo Operations Revenue increased \$1.2 million or 21.5%. This is the result of increased landing fees and fuel fees over 2016.

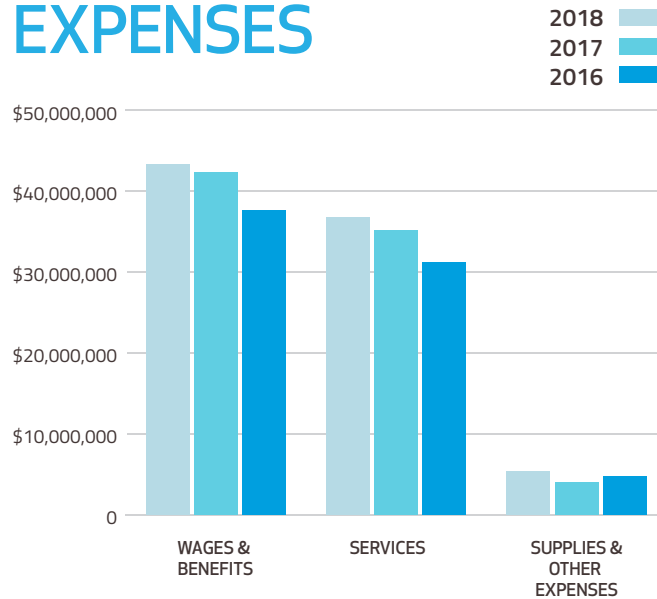
The following represents the Authority's summary of operating expenses by source for the years ended December 31:

	Dollars in 000's			% Change	
	2018	2017	2016	2018	2017
Employee Wages & Benefits	\$ 43,310	\$ 42,287	\$ 37,606	2.4	12.4
Purchase of Services	36,750	35,126	31,138	4.6	12.8
Materials & Supplies	5,293	3,964	4,607	33.5	-14.0
Hotel Services	2,576	2,487	2,437	3.6	2.1
Other Expenses	57	25	138	128.0	-81.9
Total Operating Expenses	\$ 87,986	\$ 83,889	\$ 75,926	4.9	10.5

*The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 and 2016 operating expenses still include OPEB expense of \$281,964 and \$488,880 computed under GASB 45, respectively. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,416,245. Consequently, in order to compare 2018 to 2017 total operating expense, the following adjustments are needed:

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

EXPENSES



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

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

An analysis of significant changes in expenses for the year 2017 is as follows:

- Employee Wages & Benefits increased by \$4.7 million or 12.4% due to increased pension expense related to GASB 68.
- Purchased Services increased by \$4.0 million or 12.8% due to increased contract labor related to ground handling services at Rickenbacker Inland Port and parking services as well as increased airport maintenance and professional services over 2016.

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

	Dollars in 000's			% Change	
	2018	2017	2016	2018	2017
Total Operating Revenues	\$ 116,738	\$ 112,576	\$ 104,218	3.7	8.0
Total Operating Expenses	(87,986)	(83,888)	(75,925)	4.9	10.5
Operating Income before Depreciation	28,751	28,688	28,293	0.2	1.4
Depreciation	(47,232)	(46,107)	(44,160)	2.4	4.4
Operating Loss	(18,481)	(17,419)	(15,867)	6.1	9.8
Investment Income	1,493	986	662	51.4	48.9
Passenger Facility Charges	16,701	14,802	14,436	12.8	2.5
Rental Car Facility Charges	11,521	10,582	9,768	8.9	8.3
Interest Expense	(1,708)	(1,782)	(3,477)	-4.2	-48.7
Loss on Securities	(96)	(232)	(170)	-58.6	36.5
Amortization of Deferred Charges	58	58	(158)	0.0	-136.7
Gain on Disposal of Assets	7,111	1,303	7,768	445.7	-83.2
Other Non-Operating Revenue	155	640	394	-75.8	62.4
Income before Capital Contributions	16,754	8,938	13,356	87.4	-33.1
Capital Contributions	8,435	11,335	19,006	-25.6	-40.4
Increase in Net Position	25,189	20,273	32,360	24.2	-37.4
Net Position - Beginning of Year	803,886	783,613	751,251	2.6	4.3
Restatement for GASB 75	(18,608)	-	-	-	-
Net Position - End of Year	\$ 810,467	\$ 803,886	\$ 783,613	0.8	2.6

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

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

An analysis of significant changes in net position for the year 2017 is as follows:

- Interest Expense decreased by \$1.7 million or 48.7% related to the refunding of revenue bonds, series 2007 in late 2016.
- Capital Contributions from federal and state funding sources decreased by \$7.7 million or 40.4% due to the completion of north runway and jetbridge related projects at John Glenn International.

Capital Assets

The Authority's capital assets as of December 31, 2018, totaled \$760.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings & building improvements, runways, taxiways & roads, construction in progress, furniture, and machinery & equipment. The total increase in the Authority's investment in capital assets before accumulated depreciation for 2018 was 3.48% or \$48.3 million.

Major capital projects in progress and expenditures incurred during 2018 included the following:

Twy Rehab & MOS Phase 1A & 1B	\$ 8,019,419
Rehab Terminal Apron & Txy E Asphalt	7,228,119
Consolidated Rental Car Facility	6,553,065
Parking Access Revenue Control System	2,691,463
Intermodal Pkwy Extension Cul-de-sac	2,097,443

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

Debt Administration

Airport Refunding Revenue Bonds, Series 2013AB

On October 8, 2013, the Authority issued Airport Refunding Revenue Bonds, Series 2013AB in the principal amount of \$17,600,000. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003AB. The bonds are due at maturity in monthly principal and interest installments of \$214,650 beginning February 2014 through April 2021.

The balance outstanding as of December 31, 2018 was \$5,912,451.

Airport Refunding Revenue Bonds, Series 2015 (AMT)

On March 31, 2015, the Authority issued Airport Refunding Revenue Bonds, Series 2015 (AMT) in the principal amount of \$40,000,000. The bond proceeds were used to partially refund the Authority's outstanding Credit Facility Bonds, Series 2012B. The bonds are due at maturity in monthly principal and interest installments of \$280,662 beginning January 2016 through January 2030.

The balance outstanding as of December 31, 2018 was \$32,608,201.

Airport Refunding Revenue Bonds, Series 2016

On October 6, 2016, the Authority issued \$41,982,000 of Airport Refunding Revenue Bonds, Series 2016. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2007. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of \$463,020 beginning February 2017 through November 2023.

The balance outstanding as of December 31, 2018 was \$32,495,965. Bond principal and interest are paid from the general revenues of the Authority. Additional details may be found in Note 8 of the accompanying notes.

Passenger Facility Charge (PFC)

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of \$3.00 per enplaned passenger. In January 2002, the FAA approved the Authority's request to increase the PFC level to \$4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. In 2007, the Authority received approval to collect on its application effective December 26, 2007, in the amount of \$71.1 million. The newest application, which was approved on January 28, 2011 adds an additional \$185.0 million to the collectible amount and will extend the collection date to June 1, 2020. Through December 31, 2018, the Authority has collected PFCs, including interest earnings thereon, totaling \$332.2 million.

Airline Rates and Charges

The Authority and certain airlines negotiated an agreement effective from January 1, 2015, through December 31, 2019, which in part establishes how the airlines that sign the agreement (signatory airlines) will be assessed annual rates and charges for their use of CMH. Landing fees and terminal rental rates for non-signatory airlines are assessed at 150 percent of the signatory rates.

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

	2018	2017	2016	% Change	
	2018	2017	2016	2018	2017
Landing Fees - Net of General Airline Credit (per 1,000 lbs)	\$ 1.91	\$ 2.37	\$ 2.77	-19.4	-14.4
Terminal Rental Rate (Average)	78.25	73.70	73.15	6.2	0.8
Apron Fee - Square Foot Rate Component	1.78	1.77	2.28	0.6	-22.4
Apron Fee - Landed Weight Component (per 1,000 lbs)	0.37	0.36	0.47	2.8	-23.4

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

LCK landing fees were as follows:

	2018	2017	2016	% Change	
	2018	2017	2016	2018	2017
Landing Fees - (per 1,000 lbs)	\$ 3.18	\$ 3.03	\$ 2.83	5.0	7.1

Request for Information

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

Statements of Net Position

As of December 31, 2018 and 2017

ASSETS	2018	2017
Current Assets - Unrestricted		
Cash & Cash Equivalents	\$ 33,106,395	\$ 40,112,498
Other Investments	21,510,738	8,190,922
Accounts Receivable - Trade & Capital Grants, Net	13,883,408	18,114,244
Accounts Receivable - Other	1,683,896	1,966,700
Interest Receivable	317,025	216,582
Deposits, Prepaid Items, & Other	3,224,811	2,940,254
Total Current Assets	73,726,273	71,541,200
Non-Current Assets - Unrestricted		
Other Investments	31,041,044	33,585,717
Accounts Receivable - Other	317,092	295,177
Net Pension Asset	497,888	210,007
Land	95,282,252	95,088,175
Construction in Progress	33,960,219	30,161,781
Depreciable Capital Assets - Net of Accumulated Depreciation	631,302,940	633,213,253
Total Non-Current Assets - Unrestricted	792,401,435	792,554,110
Non-Current Assets - Restricted		
Cash & Cash Equivalents	41,188,024	21,428,023
Other Investments	62,974,312	62,319,435
Total Non-Current Assets - Restricted	104,162,336	83,747,458
Total Non-Current Assets	896,563,771	876,301,568
Total Assets	970,290,044	947,842,768
DEFERRED OUTFLOWS OF RESOURCES		
OPEB:	1,472,235	-
Pensions:		
Ohio Public Employees Retirement System - Traditional Plan	3,624,040	12,830,896
Ohio Public Employees Retirement System - Combined Plan	53,259	103,996
Ohio Public Employees Retirement System - Member-Directed Plan	29,181	21,164
Ohio Public Employees Retirement System Contributions - All Plans	4,008,097	3,947,490
Total Pensions	7,714,577	16,903,546
Total Deferred Outflows of Resources	\$ 9,186,812	\$ 16,903,546

See accompanying notes to the financial statements

Statements of Net Position

As of December 31, 2018 and 2017 (continued)

	2018	2017
LIABILITIES		
Current Liabilities - Unrestricted		
Accounts Payable - Trade	\$ 8,684,408	\$ 8,511,878
Accrued Interest Payable	142,688	134,806
Accrued & Withheld Employee Benefits	7,457,603	7,151,594
Unearned Rent	391,174	363,531
Customer Deposits & Other	434,784	429,592
Other Accrued Expenses	11,576,263	10,402,748
Total Current Liabilities	28,686,920	26,994,149
Long-Term Liabilities		
Payable from Restricted Assets - Due Within 1 Year		
Retainages on Construction Contracts	1,332,729	684,939
Current Portion of Long-Term Debt	10,152,352	9,966,491
Revolving Bank Loan	9,658,562	9,500,000
Total Payable from Restricted Assets - Due Within 1 Year	21,143,643	20,151,430
Payable from Unrestricted Assets - Due in more than 1 Year		
Compensated Absences	1,449,259	1,285,566
Unearned Rent	1,952,554	2,069,310
Net Pension Liability	26,577,458	38,665,876
Net OPEB Liability	20,006,021	-
Long-Term Debt, Less Current Portion, Net	60,864,264	71,016,616
Total Payable from Restricted Assets - Due in More Than 1 Year	110,849,556	113,037,368
Total Long-Term Liabilities	131,993,199	133,188,798
Total Liabilities	160,680,119	160,182,947
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Bond Refunding (Net of Accumulated Amortization of \$58,282 in 2018 and 2017)	291,412	349,695
OPEB	1,490,315	-
Pensions:		
Ohio Public Employees Retirement System - Traditional Plan	6,319,644	217,326
Ohio Public Employees Retirement System - Combined Plan	222,239	108,042
Ohio Public Employees Retirement System - Member-Directed Plan	5,888	2,507
Total Pensions	6,547,771	327,875
Total Deferred Inflows of Resources	8,329,498	677,570
NET POSITION		
Net Investment in Capital Assets	679,578,821	667,630,407
Restricted:		
Passenger Facility Charges	30,184,924	15,593,206
Customer Facility Charges (Rental Cars)	59,060,429	53,967,596
Bond Reserves	13,584,254	13,501,717
Total Restricted Net Position	102,829,607	83,062,519
Unrestricted Net Position	28,058,811	53,192,871
TOTAL NET POSITION	\$ 810,467,239	\$ 803,885,797

See accompanying notes to the financial statements

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended December 31, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Parking Revenue	\$ 38,694,330	\$ 36,005,865
Airline Revenue	32,676,307	35,124,629
Concession Revenue	23,151,139	21,800,112
Cargo Operations Revenue	7,790,597	6,487,800
Hotel Operations Revenue	4,614,937	4,492,392
General Aviation Revenue	3,631,307	3,523,886
Foreign Trade Zone Fees	310,000	320,000
Other Revenue	5,869,076	4,820,439
Total Operating Revenues	116,737,693	112,575,123
OPERATING EXPENSES		
Employee Wages & Benefits	43,310,190	42,287,061
Purchase of Services	36,749,704	35,124,298
Materials & Supplies	5,293,357	3,964,397
Hotel Services	2,575,793	2,487,491
Other Expenses	57,331	25,466
Total Operating Expenses	87,986,375	83,888,713
Operating Income Before Depreciation	28,751,318	28,686,410
Less: Depreciation	47,231,773	46,106,597
Operating Loss	(18,480,455)	(17,420,187)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	1,492,736	986,411
Passenger Facility Charges	16,701,097	14,802,169
Rental Car Facility Charges	11,520,767	10,582,265
Interest Expense	(1,707,767)	(1,781,678)
Loss on Securities	(96,093)	(231,548)
Amortization of Deferred Gain (Loss) on Bond Refunding	58,282	58,282
Gain on Disposal of Assets	7,110,991	1,302,582
Other Non-Operating Revenues	155,146	638,952
Total Non-Operating Revenues	35,235,160	26,357,435
Income Before Capital Contributions	16,754,705	8,937,248
Capital Contributions	8,434,593	11,335,210
Increase in Net Position	25,189,298	20,272,458
Total Net Position - Beginning of Year, Restated per Note 17	803,885,797	783,613,339
Cumulative Effect of Change in Accounting Principle	(18,607,856)	-
Total Net Position - Beginning of Year, Restated	785,277,941	-
Total Net Position - End of Year	\$ 810,467,239	\$ 803,885,797

See accompanying notes to the financial statements

Statements of Cash Flows

For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 116,595,488	\$ 112,905,256
Cash Paid to Employees	(38,391,677)	(36,293,574)
Cash Paid to Suppliers	(43,552,174)	(43,563,222)
Other Payments	(57,331)	(25,466)
Net Cash Provided by Operating Activities	34,594,306	33,022,994
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Federal, State, & Local Funded Operating Grants	155,146	638,952
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Property, Plant, & Equipment	(44,907,238)	(47,684,890)
Contributed Capital, Passenger Facility Charges, & Rental Car Facility Charges	41,290,387	36,347,094
Proceeds from Revolving Bank Loan	9,658,562	-
Payments on Revolving Bank Loan	(9,500,000)	-
Interest Paid on Bonds, Notes and Loan	(1,699,885)	(1,796,191)
Principal Payments on Bonds, Notes, & Loan	(9,966,491)	(9,378,367)
Proceeds from the Sale of Capital Assets	3,262,931	887,674
Net Cash Used in Capital and Related Financing Activities	(11,861,733)	(21,624,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(95,288,887)	(66,229,335)
Proceeds from the Sale of Investments	83,858,867	63,396,610
Income Received on Cash and Investments	1,296,199	738,790
Net Cash Used in Investing Activities	(10,133,821)	(2,093,935)
Net Increase in Cash & Cash Equivalents	12,753,898	9,943,331
Cash & Cash Equivalents - Beginning of Year	61,540,521	51,597,190
Cash & Cash Equivalents - End of Year	\$ 74,294,419	\$ 61,540,521
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (18,480,455)	\$ (17,420,187)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	47,231,773	46,106,597
Pension Expense Not Affecting Cash	3,032,565	5,556,231
OPEB Expense Not Affecting Cash	1,416,245	-
(Increase) Decrease in Assets:		
Accounts Receivable - Trade	(403,093)	1,604,653
Accounts Receivable - Other	260,889	(1,274,520)
Deposits, Prepaid Items, and Other	(284,557)	34,271
Increase (Decrease) in Liabilities:		
Accounts Payable	172,530	1,400,971
Accrued Liabilities	1,643,217	(2,967,886)
Customer Deposits	5,192	(17,136)
Net Cash Provided by Operating Activities	\$ 34,594,306	\$ 33,022,994
SUPPLEMENTAL INFORMATION		
Noncash Related Activities:		
Change in Fair Value of Investments	\$ (96,093)	\$ (231,548)

See accompanying notes to the financial statements

Notes to Financial Statements

December 31, 2018

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

Note 1 - Organization and Reporting Entity

Organization

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

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

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

The RPA was formed under ORC Chapter 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States Government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions and restrictions and reverts to the United States Government at the Government's option if any covenant is violated and not cured within 60 days. At December 31, 2018, the Authority owns approximately 3,820 acres of land contiguous to certain airfield property owned by the United States Government at LCK.

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

Reporting Entity

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

The Authority is a joint venture of the County.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

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

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

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

Budgetary Data

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

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

Cash and Cash Equivalents

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

Investments

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

Capital Contributions

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

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

Receivables

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

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2018 and 2017. The receivable was arrived at primarily by taking the subsequent collection of commissions and real estate taxes, which are received after year-end, and recording the portions earned through year end.

Deferred Outflows and Deferred Inflows of Resources

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

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

Restricted Assets

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

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

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

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

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

Restricted Net Position — At December 31, 2018, \$30,184,924 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges as defined by GASB Statement No. 46, "*Net Assets Restricted by Enabling Legislation.*" At December 31, 2017, \$15,593,206 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges.

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

At December 31, 2018, \$59,060,429 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's Board designation for specific use to construct a consolidated rental car facility as defined by GASB Statement No. 46, "*Net Assets Restricted by Enabling Legislation.*" At December 31, 2017, \$53,967,596 of the Authority's position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's board designation for specific use to construct a consolidated rental car facility.

Capital Assets

Capital assets are stated at historical cost or estimated historical cost and include expenditures, which substantially increase the useful lives of existing assets. The Authority's policy is to capitalize assets with a cost of \$10,000 or more, and with a useful life of more than 1 year. Routine maintenance and repairs are expensed as incurred. Certain net interest costs have been included as a component of the asset under construction rather than reported as an expense of the period.

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

	Total 12/31/2016	Additions	Deletions	Transfers	Total 12/31/2017
DEPRECIABLE CAPITAL ASSETS:					
Buildings	\$ 471,422,977	\$ 534,994	\$ (47,213)	\$ 2,349,931	\$ 474,260,689
Runways & Other	681,647,443	2,359,830	-	10,779,973	694,787,246
Machinery	84,424,508	10,203,154	(2,722,223)	-	91,905,439
Furniture	2,632,477	49,545	(12,948)	-	2,669,074
Total Depreciable Capital Assets	1,240,127,405	13,147,523	(2,782,384)	13,129,904	1,263,622,448
LESS ACCUMULATED DEPRECIATION:					
Buildings	177,981,248	11,654,356	(17,705)	-	189,617,899
Runways & Other	353,952,287	27,496,877	-	-	381,449,164
Machinery	52,672,324	6,879,869	(2,665,915)	-	56,886,278
Furniture	2,393,308	75,494	(12,948)	-	2,455,854
Total Accumulated Depreciation	586,999,167	46,106,596	(2,696,568)	-	630,409,195
Depreciable Capital Assets, Net	\$ 653,128,238	\$ (32,959,073)	\$ 85,816	\$ 13,129,904	\$ 633,213,253
NONDEPRECIABLE CAPITAL ASSETS:					
Land	\$ 97,301,692	\$ 524,478	\$ (2,737,995)	\$ -	\$ 95,088,175
Construction In Progress	10,302,678	32,989,007	-	(13,129,904)	30,161,781
Total Nondepreciable Capital Assets	\$ 107,604,370	\$ 33,513,485	\$ (2,737,995)	\$ (13,129,904)	\$ 125,249,956

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

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

Compensated Absences

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

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

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

A summary of the changes in compensated absences for the year ended December 31, 2017 is summarized as follows:

	Total 12/31/2016	Additions	Payments	Total 12/31/2017	Current Portion
Compensated Absences	\$4,703,439	\$3,335,148	\$3,353,021	\$4,685,566	\$3,400,000

Risk Management

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

The Authority carries property insurance on airport property and equipment in the aggregate sum of approximately \$518 million and \$665 million as of December 31, 2018 and 2017, respectively. The Authority carries liability insurance coverage in the amount of approximately \$808 million and \$805 million as of December 31, 2018 and 2017, respectively.

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

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

	2018	2017	2016
Beginning Balance	\$ 235,101	\$ 298,114	\$ 373,830
Payments	(318,654)	(302,104)	(271,596)
Claims	328,929	239,091	195,880
Ending Balance	\$ 245,376	\$ 235,101	\$ 298,114

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

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

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

	2018	2017	2016
Beginning Balance	\$ 600,000	\$ 400,000	\$ -
Accruals	4,847,295	4,585,720	3,316,134
Claims Paid	(4,847,295)	(4,385,720)	(2,916,134)
Ending Balance	\$ 600,000	\$ 600,000	\$ 400,000

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

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System Pension Plan (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value. OPERS report investments at fair value (see Note 10).

Other Postemployment Benefits

For year ended December 31, 2018, the Authority has adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". For purposes of measuring the net other postemployment benefit (OPEB) liability in, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For year ended December 31, 2017, the Authority adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45 (see Note 9).

Revenue

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

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

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

Passenger Facility Charges

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

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

Customer Facility Charges (Rental Cars)

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

Upcoming Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, "Certain Asset Retirement Obligations", which addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This ARO statement will require the Authority to recognize a liability associated with legal obligations to perform future asset retirement activities related to its tangible capital assets and disclosure of information about the nature of the Authority's ARO's, the methods and assumptions used for estimates of liabilities, and the estimated remaining useful life of the associate tangible capital assets. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2019.

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

when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2020.

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period", which simplifies accounting for interest cost incurred before the end of construction requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2021.

Note 3 - Cash and Cash Equivalents

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, "Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants." Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2018 and 2017. STAR Ohio maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR Ohio has established procedures to stabilize the net asset value per share, as computed for the purpose of purchase and redemption, at a single value of \$1.00. For the years ended December 31, 2018 and 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Public depositories must give security for all public funds on deposit. In 2017, the Treasurer of State created the Ohio Pooled Collateral Program (OPCP) under ORC 135.182 which requires institutions designated as a public depository to pledge to the Treasurer of State a single pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of all uninsured public deposits at the public depository. The market value of the pledged securities is to be at least equal 102% of total amount of the uninsured public deposits or an amount determined by the rules of the Treasurer of State for determining the aggregate market value of the pool of eligible securities pledged by a public depository. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must

be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

Deposits with Financial Institutions

At December 31, 2018, the carrying amount of the Authority's deposits with financial institutions was \$25,562,359 and the bank balance was \$26,087,895. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," \$750,000 of the bank balance was covered by deposit insurance provided by the FDIC; and \$25,337,895 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

At December 31, 2017, the carrying amount of the Authority's deposits with financial institutions was \$28,621,803 and the bank balance was \$16,749,073. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," \$750,000 of the bank balance was covered by deposit insurance provided by the FDIC; and \$15,999,073 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in possession of an outside party. For depository accounts, the Authority has chosen to require deposits to be secured by collateral less the amount of the FDIC insurance based on the daily available bank balances which was 102% under the OPCP program for 2018 and 102% for 2017 to limit its exposure to custodial credit risk.

In addition, the Authority had \$20,100 and \$16,900 in cash on hand at December 31, 2018 and 2017, respectively.

Investments

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

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

As of December 31, 2018, the Authority has the following recurring fair value measurements.

- U.S. Agencies of \$88,781,761 are valued using other observable inputs including active markets (Level 2 inputs).
- U.S. Treasuries of \$5,938,410 are valued using observable standard inputs including active markets and interdealer brokers (Level 1 inputs).
- Commercial papers of \$20,805,923 are valued using other observable inputs including active markets (Level 2 inputs).

As of December 31, 2018, the Authority had the following investments and maturities:

Type of Investment	Fair Value	Rating	Days to Maturity
Federal Agency Obligations & Notes	\$ 94,720,171	Aaa	642
Commercial Paper	20,805,923	P-1	144
Total	\$ 115,526,094		

As of December 31, 2017, the Authority had the following recurring fair value measurements.

- U.S. Agencies of \$70,914,503 are valued using other observable inputs including active markets (Level 2 inputs).
- U.S. Treasuries of \$4,744,974 are valued using observable standard inputs including active markets and interdealer brokers (Level 1 inputs).
- Commercial papers of \$28,436,597 are valued using other observable inputs including active markets (Level 2 inputs).

As of December 31, 2017, the Authority had the following investments and maturities:

Type of Investment	Fair Value	Rating	Days to Maturity
Federal Agency Obligations & Notes	\$ 75,659,477	Aaa	642
Commercial Paper	28,436,597	P-1	144
Total	\$ 104,096,074		

The Authority's unrestricted and restricted cash and cash equivalents included \$12,885,098 of money market funds, and \$35,760,314 of STAR Ohio funds as of December 31, 2018. The Authority's unrestricted and restricted cash and cash equivalents included \$20,851,717 of money market funds, and \$25,195,291 of STAR Ohio funds as of December 31, 2017. Standard & Poor's rating for the STAR Ohio fund is AAAM.

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

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

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

quality ratings as described by nationally recognized rating organizations and agencies exist prior to the purchase of commercial paper and bankers' acceptances; and maintaining adequate collateralization of certificates of deposits.

Custodial Credit Risk – The Authority's unrestricted and restricted investments at December 31, 2018 and 2017, are insured, registered, or are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

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

Note 4 - Restricted Cash and Investments

The following amounts represent restricted cash and investments as of December 31, 2018 and 2017:

	2018	2017
CASH AND INVESTMENTS:		
Restricted for Customer Facility Charge	\$ 59,060,429	\$ 53,967,596
Restricted for Passenger Facility Charge	30,184,924	15,593,206
Restricted for Debt Service	13,584,254	13,501,717
Retainages on Construction Contracts	1,332,729	684,939
Total Restricted Cash & Investments	\$ 104,162,336	\$ 83,747,458

Note 5 - Receivables

The following amounts represent receivables due to the Authority at December 31, 2018 and 2017:

	2018	2017
UNRESTRICTED		
Current:		
Accounts Receivable - Trade	\$ 10,439,818	\$ 10,007,734
Accounts Receivable - Capital Grants	3,523,318	8,157,249
Less Allowance for Uncollectables	(79,729)	(50,739)
Total Current Unrestricted Trade Receivables	13,883,407	18,114,244
Accounts Receivable - Other	1,683,896	1,966,700
Non-Current:		
Accounts Receivable - Other	317,092	295,177
Total Unrestricted Receivables	\$ 15,884,395	\$ 20,376,121

Note 6 - Revolving Bank Loan and Credit Facility Agreement

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

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

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

The Authority had tax-exempt outstanding borrowings of \$9,658,562 at a rate of approximately 2.47% at December 31, 2018 and \$9,500,000 at a rate of approximately 1.20% as of December 31, 2017.

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

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

Credit Facility Agreement information and activity as of and for the year ended December 31, 2017 is presented below:

	Total 12/31/2016	Additions	Payments	Total 12/31/2017	Current Portion
Series 2012A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2012B	9,500,000	-	-	9,500,000	9,500,000
Total	\$ 9,500,000	\$ -	\$ -	\$ 9,500,000	\$ 9,500,000

Note 7 - Unearned Income

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

	Total 12/31/2017	Additions	Payments	Total 12/31/2018	Current Portion
Unearned Rent -					
Net Discount	\$ 2,114,598	\$ 92,947	\$ 209,704	\$ 1,997,841	\$ 45,289
Advance Grants & Other	318,243	21,916	(5,728)	345,887	345,885
Total	\$ 2,432,841	\$ 114,863	\$ 203,976	\$ 2,343,728	\$ 391,174

Unearned income activity for the year ended December 31, 2017 is summarized as follows:

	Total 12/31/2016	Additions	Payments	Total 12/31/2017	Current Portion
Unearned Rent -					
Net Discount	\$ 6,582,714	\$ 82,299	\$ 4,550,415	\$ 2,114,598	\$ 45,289
Advance Grants & Other	287,673	7,759	(22,811)	318,243	318,242
Total	\$ 6,870,387	\$ 90,058	\$ 4,527,604	\$ 2,432,841	\$ 363,531

Note 8 - Long-Term Debt

Revenue bonds

On October 8, 2013, the Authority issued \$13,805,000 of Airport Refunding Revenue Bonds, Series 2013A. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003A. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of \$169,250 beginning February 2014 through April 2021. Interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2018 are \$4,582,492. Revenue bonds payable at December 31, 2017, were \$6,519,790. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 8, 2013, the Authority issued \$3,795,000 of Airport Refunding Revenue Bonds, Series 2013B. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003B. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of \$45,400 beginning February 2014 through April 2021. The interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2018 are \$1,329,959. Revenue bonds payable at December 31, 2017 were \$1,847,981. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On March 31, 2015, the Authority issued \$40,000,000 of Airport Refunding Revenue Bonds, Series 2015 (AMT). The bond proceeds were used to partially refund the Authority's outstanding Credit Facility Bonds, Series 2012B (See Note 6). The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of \$280,662 beginning January 2016 through January 2030. The interest rate is fixed at 2.48%. Revenue bonds payable at December 31, 2018 are \$32,608,201. Revenue bonds payable at December 31, 2017 were \$35,133,422. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 6, 2016, the Authority issued \$41,982,000 of Airport Refunding Revenue Bonds, Series 2016. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2007. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of \$463,020 beginning February 2017 through November 2023. The interest rate is fixed at 1.62%. Revenue bonds payable at December 31, 2018 are \$32,495,965. Revenue bonds payable at December 31, 2017 were \$37,481,915. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

Net revenue of the John Glenn International Airport is pledged toward the repayment of the Airport Revenue Bonds. Net revenue consists of operating revenue, investment income, other non-operating revenues, gain (loss) on securities, and gain (loss) on disposal of assets reduced by operating expenses not including depreciation. For December 31, 2018, the net revenue was \$28.7 million compared to the net debt service (principal and interest) of \$11.8 million.

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

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

Revenue bond and loan activity for the year ended December 31, 2017 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
BONDS:				
2013A	\$ 8,425,159	\$ -	\$ (1,905,369)	\$ 6,519,790
2013B	2,357,464	-	(509,484)	1,847,980
2015	37,596,851	-	(2,463,429)	35,133,422
2016	41,982,000	-	(4,500,085)	37,481,915
	90,361,474	\$ -	\$ (9,378,367)	80,983,107
Less: Current Portion	9,378,367			9,966,491
	\$ 80,983,107			\$ 71,016,616

Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2018 are as follows:

	Principal	Interest
2019	\$ 10,152,352	\$ 1,252,659
2020	10,341,821	1,047,344
2021	10,594,986	824,480
2022	10,675,306	623,955
2023	10,252,571	503,823
2024-2028	15,403,204	1,404,738
2029-2031	3,596,376	44,810
Total	\$ 71,016,616	\$ 5,701,809

Note 9 - Other Post Retirement Benefits

Plan Description

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

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

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

Ohio Public Employees
Retirement System

277 East Town Street
Columbus, Ohio 53215

(800) 222-7377
www.opers.org

Funding Policy

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0% in 2018 and 1.0% in 2017. Employer contributions as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for both 2018 and 2017 was 4.0%. Based upon the portion of each employer's contribution to OPERS set aside for funding OPEB as described above, the Authority's contribution allocated to OPEB for the 12 months ended December 31, 2018 and 2017, was approximately \$0 and \$281,963, respectively.

Net OPEB Liability

At December 31, 2018, the Authority reported a liability for its proportionate share of the net OPEB liability of OPERS. For December 31, 2018, the net OPEB liability was measured as of December 31, 2017 for the OPERS plan. The proportionate share of the net OPEB liability of earlier years has been reported as a restatement of beginning net position in the Statements of Revenues, Expenses and Changes in Net Position. The total net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. The Authority's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating units, actuarially determined.

Plan	Measurement Date	Net OPEB Liability 2018	Proportionate Share 2018
OPERS	December 31	\$20,006,021	0.184230%

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

For the year ended December 31, 2018, the Authority recognized OPEB expense of \$1,416,245. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 15,585	\$ -
Net Difference Between Expected and Actual Investment Earnings	-	1,490,315
Changes in Assumptions	1,456,650	-
Total	\$ 1,472,235	\$ 1,490,315

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

Years Ending December 31		Amount
2019	\$	331,301
2020		331,301
2021		(308,103)
2022		(372,579)
2023		-
Thereafter		-
Total	\$	(18,080)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2019).

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Information

Actuarial Valuation Date
 Rolled-Forward Measurement Date

Experience Study

Actuarial Cost Method

Actuarial Assumptions

Single Discount Rate

Investment Rate of Return

Municipal Bond Rate

Wage Inflation

Projected Salary Increases

Health Care Cost Trend Rate

OPEB

December 31, 2016

December 31, 2017

5-Year Period Ended

December 31, 2015

Individual entry age normal

3.85%

6.50%

3.31%

3.25%

3.25% - 10.75%

(includes wage inflation at 3.25%)

7.5% initial, 3.25% ultimate in 2028

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

The actuarial assumptions used in the December 31, 2017 valuations were based on the results of an actuarial experience study for the 2-year periods ended December 31, 2015. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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

The table below displays the OPERS Board approved asset allocation policy for December 2017 and the expected real rates of return.

OPERS - AS OF 12/31/17		
Asset Class	Target Allocation	Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00	6.37
REITs	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00%	4.98%

Discount Rate

A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through expense and inflation) are developed for each major asset class. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity to Changes in the Discount Rate

For 2018, the following Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.85%, as well as what the Authority's proportionate share of the net OPEB liability would be if calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

Authority's Proportionate Share of the Net OPEB Liability/(Asset)	1% Decrease 2.85%	2017 Current Discount Rate 3.85%	1% Increase 4.85%
OPEB	\$26,578,862	\$20,006,021	\$14,688,658

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

Authority's Proportionate Share of the Net OPEB Liability/(Asset)	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
OPEB	\$19,141,497	\$20,006,021	\$20,899,051

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

Note 10 - Pension and Retirement Plans

Plan Description

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

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

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

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

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for State and Local employer units and 18.1% for the Law Enforcement divisions. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll. The 2018 and 2017 member contribution rate for State and Local members was 10.0% of covered payroll. The 2018 member contribution rate for the Law Enforcement division is 13.0% of covered payroll.

The contribution rate for State and Local employers in 2018 and 2017 was 14.0%. The contribution rate for Law Enforcement divisions in 2018 and 2017 was 18.1%. The portion of the employer's contribution used to fund pension benefits is net of postemployment health care benefits. Employer contribution rates are actuarially determined.

The Authority's contractually required contribution to OPERS was \$3,533,193 for fiscal year 2018, which is reported as a deferred outflow of resources. The Authority's contractually required contribution to OPERS was \$3,947,490 for fiscal year 2017, which is reported as a deferred outflow of resources.

Net Pension Liability

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

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

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

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

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

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

The net pension liability for OPERS was measured as of December 31, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority’s proportion of the net pension liability was based on the Authority’s share of contributions to the pension plan relative to the contributions of all participating entities.

At December 31, 2018 the Authority reported the following information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member-Directed Plan	Total All Plans
Proportionate Share of the Net Pension Liability	0.169412%	0.356141%	0.374346%	
Proportion of the Net Liability/ (Asset)	\$ 26,577,458	\$ (484,823)	\$ (13,065)	\$ 26,079,570
Pension Expense	\$ 3,533,193	\$ 228,094	\$ 246,811	\$ 4,008,098

At December 31, 2017 the Authority reported the following information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member-Directed Plan	Total All Plans
Proportionate Share of the Net Pension Liability	0.170272%	0.374223%	0.414349%	
Proportion of the Net Liability/ (Asset)	\$ 38,665,876	\$ (208,281)	\$ (1,726)	\$ 38,455,869
Pension Expense	\$ 3,439,735	\$ 227,639	\$ 280,116	\$ 3,947,490

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

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

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

At December 31, 2017 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member- Directed	Total
Deferred Outflows of Resources				
Difference Between Expected and Actual Experience	\$ 39,617	\$ -	\$ 17,572	\$ 57,189
Net Difference Between Expected and Actual Investment Earnings	5,758,241	50,817	1,486	5,810,544
Changes in Assumptions	6,132,881	50,763	1,941	6,185,585
Change in Proportionate Share	900,157	2,416	165	902,738
	12,830,896	103,996	21,164	12,956,056
Authority's Contribution Subsequent to the Measure Date - All Plans	3,439,735	227,639	280,116	3,947,490
Total Deferred Outflows of Resources	\$ 16,270,631	\$ 331,635	\$ 301,280	\$ 16,903,546

	OPERS Traditional Pension Plan	OPERS Combined Plan	OPERS Member- Directed	Total
Deferred Inflows of Resources				
Difference Between Expected and Actual Experience	\$ 217,326	\$ 106,523	\$ -	\$ 323,849
Changes in Assumptions	-	-	-	-
Change in Proportionate Share	-	1,519	2,507	4,026
Total Deferred Inflows of Resources	\$ 217,326	\$ 108,042	\$ 2,507	\$ 327,875

Contributions of \$4,008,097 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases or (decreases) in pension expense as follows:

**DEFERRED OUTFLOWS AND INFLOWS BY RESOURCES BY
YEAR TO BE RECOGNIZED IN FUTURE PENSION EXPENSES**

Year Ending December 31	Traditional Pension Plan Net Deferred Inflows/(Outflows) of Resources	Combined Plan Net Deferred Inflows/ (Outflows) of Resources	Combined Plan Net Deferred Inflows/ (Outflows) of Resources
2019	\$ 2,723,517	\$ (23,171)	\$ 2,873
2020	(561,967)	(25,264)	2,783
2021	(2,512,609)	(42,401)	2,278
2022	(2,344,609)	(40,592)	2,366
2023	-	(13,734)	3,495
Thereafter	-	(23,817)	9,498
Total	\$ (2,695,668)	\$ (168,979)	\$ 23,293

For the year ended December 31, 2018 and 2017, the Authority had \$579,898, and \$376,918, respectively due to the Plan for contractually required contributions.

Actuarial Assumptions - OPERS

The total pension liability in the December 31, 2017 and 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Actuarial Information	Traditional Pension Plan	Combined Plan	Member Directed Plan
Valuation Date	December 31, 2017 and 2016	December 31, 2017 and 2016	December 31, 2017 and 2016
Experience Study	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	7.50%	7.50%	7.50%
Wage Inflation	3.25%	3.25%	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)	3.25% - 8.25% (includes wage inflation at 3.25%)	3.25% - 8.25% (includes wage inflation at 3.25%)
Cost of Living Adjustments	Pre - 1/7/2013 Retirees: 3% Simple Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3% Simple Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3% Simple Post - 1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above-described tables.

The actuarial assumptions used in the December 31, 2017 and 2016 valuations were based on the results of an actuarial experience study for the 5-year periods ended December 31, 2015. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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

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

The following table displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate Private	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	18.00%	5.26%
Total	100.00%	5.66%

The following table displays the Board-approved Asset allocation policy for 2016 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate Private	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	18.00%	4.92%
Total	100.00%	5.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% and 7.5% for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan as of December 31, 2017 and 2016 respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Authority's share of the net pension liability or asset calculated using the discount rate of 7.5%, as well as the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower (6.5%) or 1.0% higher (8.5%) than the current rate.

Authority's Proportionate Share of the Net Pension Liability/(Asset)	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Traditional Pension Plan	\$ 47,194,795	\$ 26,577,458	\$ 9,388,813
Combined Plan	(263,544)	(484,823)	(637,492)
Member-Directed Plan	(7,487)	(13,065)	(18,717)

Additional Financial and Actuarial Information

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

Note 11 - Capital Contributions

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

	2018	2017
Federal	\$ 7,892,030	\$ 11,073,317
State & Local	542,564	261,893
Total	\$ 8,434,594	\$ 11,335,210

Note 12 - Commitments and Contingencies

Capital Improvements

As of December 31, 2018, the Authority was obligated for completion of certain airport improvements under commitments of approximately \$54.8 million. An estimated \$5.6 million is eligible for reimbursement from the FAA and Ohio Development Services Agency. The remaining amount is expected to be funded from bond proceeds, current available resources, PFCs, RCFC's, and future operations.

Federally Assisted Programs - Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2018, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

Note 13 - Property Leased to Others

The Authority is a lessor of space in CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the Statements of Net Position are held by the Authority for the purpose of rental or related use. The cost and net book value of property held for operating leases as of December 31, 2018 are \$482,224,528 and \$275,312,803, respectively. The cost and net book value of property held for operating leases as of December 31, 2017 are \$478,418,816 and \$281,970,995, respectively.

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

2019	\$	20,122,506
2020		14,996,641
2021		13,621,921
2022		6,091,428
2023		4,344,344
2024 - 2028		22,192,464
2029 - 2033		13,700,432
2034 - 2038		9,103,658
2039 - 2043		5,869,545
2044 - 2048		3,315,566
2049 - 2053		2,575,888
2054 - 2058		2,468,997
2059 - 2062		2,320,161
Total	\$	120,723,551

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

Contingent operating revenue aggregated approximately \$31,000,000, and \$30,000,000, respectively, in 2018 and 2017.

Note 14 - Related Party Transactions

County of Franklin, Ohio

In 2015, the County agreed to contribute \$1.75 million in the form of a grant to support the construction of an air traffic control tower and associated infrastructure improvements at the Rickenbacker airport. The grant was paid to the Authority in 2016.

City of Columbus, Ohio

In 2015, The City agreed to contribute \$1.5 million in the form of a grant to support the capital improvement program at Rickenbacker airport. The grant was paid to the Authority in 2017.

In 2017, The City along with the Northern Pickaway County Joint Economic Development District (JEDD) agreed to contribute \$300,000 and \$100,000 respectively to support sanitary sewer capital improvements at Rickenbacker airport. The funds are to be paid to the Authority by December 31, 2019.

Note 15 - Conduit Debt - Private Sector Entities

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

As of December 31, 2018 and 2017, there were 8 series of bonds outstanding with aggregate principal balances of \$132,449,798 and \$143,347,221, respectively. The original issue amounts for these 8 series totaled \$528,172,079.

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

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

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

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

As of December 31, 2018 and 2017, there were 2015 series of bonds outstanding with aggregate principal balances of \$73,600,000. The original issue amounts for these 2015 series totaled \$75,000,000.

Note 17 – Changes in Accounting Principles

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

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

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

Required *Supplementary Information*

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

For the Years Ended December 31

	2018	2017	2016	2015
Traditional Pension Plan				
Authority's proportion of the net pension liability (asset)	0.169412%	0.170272%	0.161166%	0.158207%
Authority's proportionate share of the net pension liability (asset)	\$ 26,577,458	\$ 38,665,876	\$ 27,915,973	\$ 19,081,519
Authority's covered-employee payroll	23,965,155	24,569,536	18,866,692	18,472,175
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	110.90%	157.37%	147.96%	103.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.66%	77.25%	81.19%	86.45%
Combined Plan				
Authority's proportion of the net pension liability (asset)	0.356141%	0.374223%	0.379940%	0.373312%
Authority's proportionate share of the net pension liability (asset)	\$ (484,823)	\$ (208,281)	\$ (184,887)	\$ (143,734)
Authority's covered-employee payroll	1,547,127	1,625,993	1,248,584	1,282,687
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-31.34%	-12.81%	-14.81%	-11.21%
Plan fiduciary net position as a percentage of the total pension liability (asset)	137.28%	116.55%	116.90%	114.83%
Member-Directed Plan				
Authority's proportion of the net pension liability (asset)	0.374346%	0.414439%	0.344976%	0.000000%
Authority's proportionate share of the net pension liability (asset)	\$ (13,065)	\$ (1,726)	\$ -	\$ -
Authority's covered-employee payroll	1,674,082	2,000,829	1,536,413	1,751,680
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.78%	-0.09%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	124.46%	103.40%	103.91%	0.00%

Schedule of the Authority's Pension Contributions to the State Pension Fund For the Years Ended December 31

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Traditional Pension Plan										
Contractually Required Contribution	\$ 3,533,193	\$ 3,439,735	\$ 2,641,337	\$ 2,586,103	\$ 2,713,249	\$ 2,761,368	\$ 2,605,823	\$ 2,531,772	\$ 2,197,533	\$ 2,153,067
Contributions in Relation to the Contractually Required Contribution	\$ (3,533,193)	\$ (3,439,735)	\$ (2,641,337)	\$ (2,586,103)	\$ (2,713,249)	\$ (2,761,368)	\$ (2,605,823)	\$ (2,531,772)	\$ (2,197,533)	\$ (2,153,067)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 23,965,155	\$ 24,569,536	\$ 18,866,692	\$ 18,472,175	\$ 19,380,362	\$ 19,724,066	\$ 18,613,028	\$ 18,084,102	\$ 15,696,673	\$ 15,379,054
Contributions as a Percentage of Covered Employee Payroll	14.74%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Combined Plan										
Contractually Required Contribution	\$ 228,094	\$ 227,639	\$ 174,802	\$ 179,576	\$ 181,887	\$ 179,158	\$ 142,705	\$ 124,371	\$ 101,041	\$ 87,010
Contributions in Relation to the Contractually Required Contribution	\$ (228,094)	\$ (227,639)	\$ (174,802)	\$ (179,576)	\$ (181,887)	\$ (179,158)	\$ (142,705)	\$ (124,371)	\$ (101,041)	\$ (87,010)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 1,547,127	\$ 1,625,993	\$ 1,248,584	\$ 1,282,687	\$ 1,299,195	\$ 1,279,700	\$ 1,019,321	\$ 888,368	\$ 721,720	\$ 621,502
Contributions as a Percentage of Covered Employee Payroll	14.74%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Member-Directed Plan										
Contractually Required Contribution	\$ 246,811	\$ 280,116	\$ 215,098	\$ 245,235	\$ 220,622	\$ 212,461	\$ 183,972	\$ 125,219	\$ 73,997	\$ 42,403
Contributions in Relation to the Contractually Required Contribution	\$ (246,811)	\$ (280,116)	\$ (215,098)	\$ (245,235)	\$ (220,622)	\$ (212,461)	\$ (183,972)	\$ (125,219)	\$ (73,997)	\$ (42,403)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority Covered Payroll	\$ 1,674,082	\$ 2,000,829	\$ 1,536,413	\$ 1,751,680	\$ 1,575,870	\$ 1,517,580	\$ 1,314,084	\$ 894,420	\$ 528,549	\$ 302,878
Contributions as a Percentage of Covered Employee Payroll	14.74%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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

For the Years Ended December 31

ALL PLANS

	2018
Authority's proportion of the net pension liability (asset)	0.184230%
Authority's proportionate share of the net pension liability (asset)	\$ 20,006,021
Authority's covered payroll	27,186,364
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.59%
Plan fiduciary net position as a percentage of the total pension liability (asset)	54.14%

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

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

For the Years Ended December 31

ALL PLANS

	2018
Contractually Required Contribution	\$ -
Contributions in Relation to the Contractually Required Contribution	-
Contribution Deficiency (Excess)	\$ -
Authority Covered Employee Payroll	\$ 27,186,364
Contributions as a Percentage of Covered Employee Payroll	0.00%

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

Notes to Schedules of Required Supplementary Information

December 31, 2018

Note A

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

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2017 and 2016, respectively.

Changes in assumptions: There were no changes in benefit terms from the amounts reported for the Plan year 2017. During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent and 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables changed from RP-2000 to RP-2014.

Calculation of employer allocations: OPERS Health care funding is discretionary and dependent on both the pension funding and future projections. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0% for 2017. The 2018 allocation is expected to be 0.0% for health care funding, and expected to continue at that rate thereafter.

Other *Supplementary Information*

Schedule of Revenues and Expenses: Budget vs. Actual-Budget Basis For the Year Ended December 31, 2018

	Budget (Unaudited)	Actual	Variance to Budget
OPERATING REVENUES			
Parking Revenue	\$ 37,267,495	\$ 38,694,330	\$ 1,426,835
Airline Revenue	33,905,147	32,676,307	(1,228,840)
Concession Revenue	21,252,177	23,151,139	1,898,962
Cargo Operations Revenue	6,551,377	7,790,597	1,239,220
Hotel Operations Revenue	4,494,483	4,614,937	120,454
General Aviation Revenue	3,364,814	3,631,307	266,493
Foreign Trade Zone Fees	312,500	310,000	(2,500)
Other Revenue	5,146,643	5,869,076	722,433
Total Operating Revenues	112,294,636	116,737,693	4,443,057
OPERATING EXPENSES			
Employee Wages & Benefits	39,290,299	43,310,190	(4,019,891)
Purchase of Services	36,448,537	36,749,704	(301,167)
Materials & Supplies	4,839,717	5,293,357	(453,640)
Hotel Services	2,403,721	2,575,793	(172,072)
Other Expenses	-	57,331	(57,331)
Total Operating Expenses	82,982,274	87,986,375	(5,004,101)
Operating Income before Depreciation	29,312,362	28,751,318	(561,044)
Less: Depreciation	49,289,280	47,231,773	2,057,507
Operating Loss	(19,976,918)	(18,480,455)	1,496,463
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	1,061,700	1,492,736	431,036
Other Non-Operating Revenues	572,028	155,146	(416,882)
Passenger Facility Charges	14,408,660	16,701,097	2,292,437
Rental Car Facility Charges	10,000,000	11,520,767	1,520,767
Interest Expense	(1,721,592)	(1,707,767)	13,825
Gain (Loss) on Securities	-	(96,093)	(96,093)
Amortization of Deferred Charges	-	58,282	58,282
Gain (Loss) on Disposal of Assets	-	7,110,991	7,110,991
Total Non-Operating Revenues	24,320,796	35,235,160	10,914,364
Income Before Capital Contributions	4,343,878	16,754,705	12,410,827
Adjustments To Reconcile GAAP Net Income Before Capital Contributions Budgeted To New Income			
Loss on Securities	-	96,093	96,093
Pension & OPEB Adjustments - GASB 68 and 75	-	4,448,810	4,448,810
Total Adjustments	-	4,544,903	4,544,903
Net Income Adjusted to the Budgetary Basis of Accounting	\$ 4,343,878	\$ 21,299,607	\$ 16,955,729



Statistical Section

(unaudited)

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

Financial Trends and Revenue Capacity

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

Debt Capacity

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

Operating Information

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

Economic and Demographic Information

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

Revenues and Expenses by Type

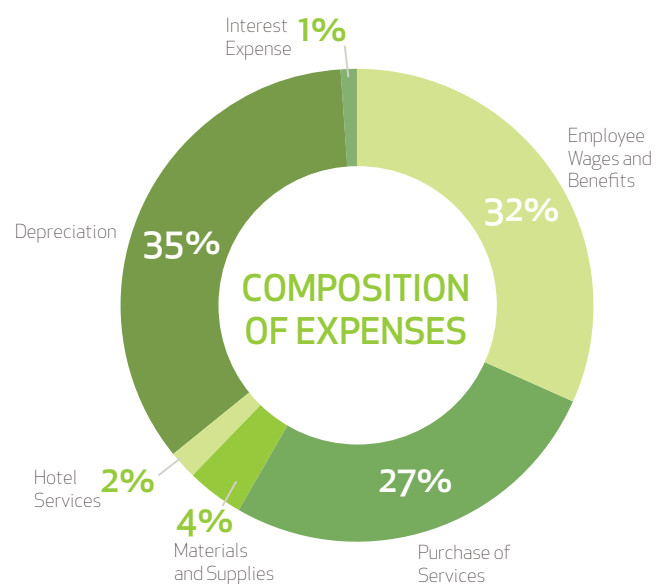
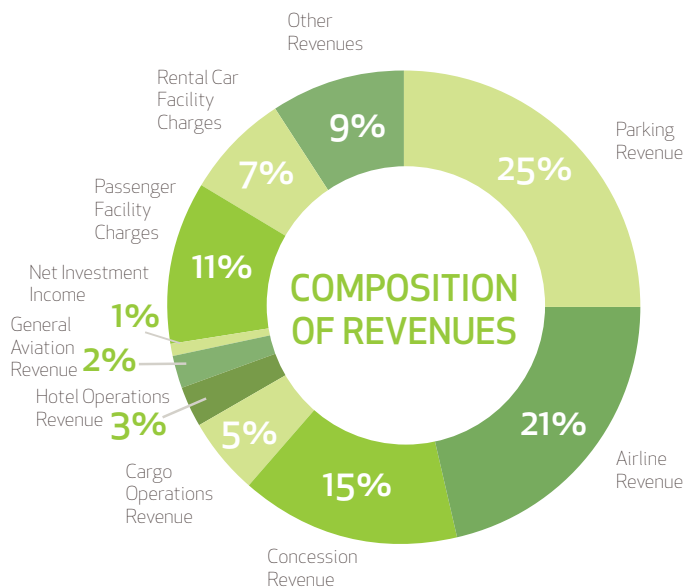
For the 10 Years Ended December 31, 2018

(dollars in thousands)

	2018		2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES:											
Parking Revenue	\$ 38,694	26%	\$ 36,006	\$ 34,821	\$ 32,880	\$ 30,131	\$ 28,888	\$ 27,788	\$ 27,188	\$ 25,395	\$ 24,391
Airline Revenue	32,676	21%	35,125	30,215	26,608	26,869	28,241	27,222	25,085	24,783	24,204
Concession Revenue	23,151	15%	21,800	21,791	20,122	18,937	18,091	18,578	18,276	17,486	16,897
Cargo Operations Revenue	7,791	5%	6,488	5,338	5,478	4,808	4,064	2,240	1,647	1,614	1,582
Hotel Operations Revenue	4,615	3%	4,492	4,605	4,094	1,380	-	-	-	-	-
General Aviation Revenue	3,631	2%	3,524	3,276	3,205	3,031	3,429	2,522	2,602	2,304	2,256
Foreign Trade Zone Fees	310	0%	320	326	308	363	370	380	382	378	440
Net Investment Income	1,397	1%	755	492	410	286	124	464	822	1,130	1,121
Passenger Facility Charges	16,701	11%	14,802	14,436	13,576	12,562	12,238	12,954	13,059	13,332	12,584
Rental Car Facility Charges	11,521	7%	10,582	9,768	7,876	6,519	6,470	6,257	5,615	5,011	4,457
Other Revenues	13,135	9%	6,762	12,008	4,988	3,246	4,654	7,249	5,527	7,410	8,647
	153,622	100%	140,656	137,077	119,543	108,131	106,569	105,655	100,204	98,843	96,580
EXPENSES:											
Employee Wages & Benefits	43,310	32%	42,287	37,606	33,005	32,854	33,267	31,672	30,680	30,251	28,266
Purchase of Services	36,750	27%	35,124	31,137	27,348	26,177	26,224	25,878	28,128	19,829	20,198
Materials and Supplies	5,293	4%	3,964	4,607	4,909	5,701	5,621	3,673	3,599	3,567	2,744
Hotel Services	2,576	2%	2,487	2,437	2,149	665	-	-	-	-	-
Depreciation	47,232	34%	46,107	44,160	42,811	42,258	38,312	35,259	33,777	32,260	29,199
Interest Expense	1,708	1%	1,782	3,477	2,747	2,846	3,718	3,929	4,136	4,425	4,704
Other Expenses	(1)	0%	(33)	296	248	297	245	202	246	256	191
	136,868	100%	131,719	123,721	113,218	110,798	107,387	100,613	100,567	90,588	85,303
Income Before Capital Contributions, Specials & Extraordinary Items	\$ 16,755		\$ 8,937	\$ 13,356	\$ 6,325	\$ (2,667)	\$ (818)	\$ 5,042	\$ (362)	\$ 8,255	\$ 11,278

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

Source: The Authority's Accounting Department



Revenues and Expenses by Area

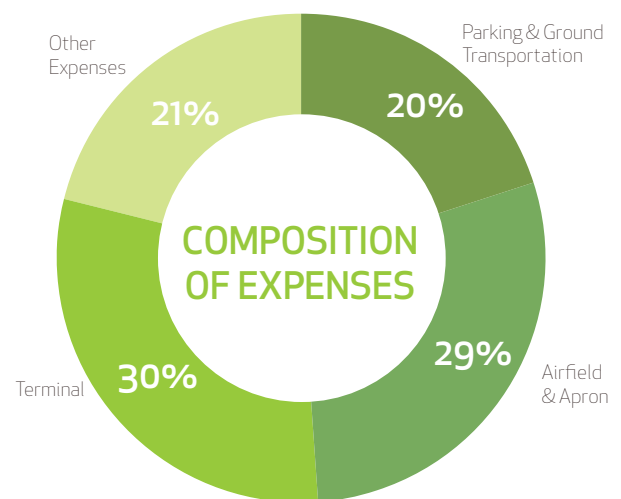
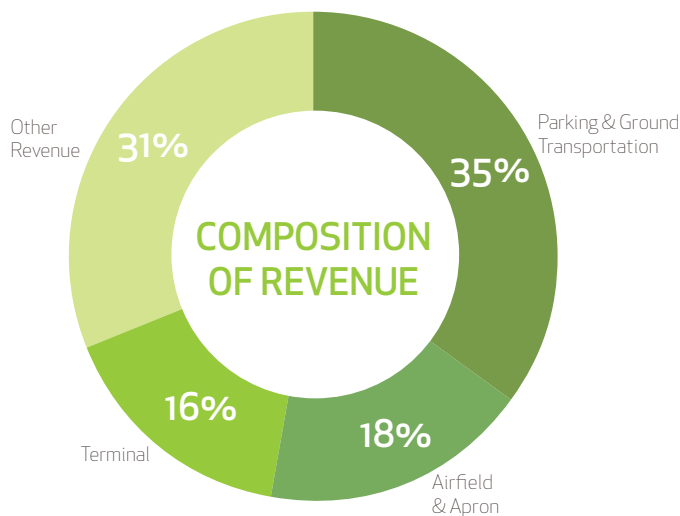
For the 10 Years Ended December 31, 2018

(dollars in thousands)

	2018		2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES:											
Parking & Ground Transportation	\$ 51,475	35%	\$ 47,944	\$ 46,894	\$ 43,926	\$ 40,981	\$ 39,022	\$ 38,144	\$ 37,134	\$ 34,913	\$ 33,187
Airfield & Apron	26,326	18%	25,973	20,072	21,533	20,673	22,197	19,418	16,856	17,415	17,812
Terminal	24,052	16%	23,924	22,473	17,723	17,780	16,740	16,074	15,788	14,237	13,034
Other Revenue	45,127	31%	41,667	40,128	36,363	28,699	28,610	32,018	30,426	32,280	32,548
	146,980	100%	139,508	129,567	119,545	108,133	106,569	105,654	100,204	98,845	96,581
EXPENSES:											
Parking & Ground Transportation	16,603	20%	14,560	10,967	10,691	12,955	13,856	14,939	13,333	11,692	12,221
Airfield & Apron	23,862	29%	21,959	20,658	21,328	22,920	20,890	18,950	18,151	17,207	15,723
Terminal	24,864	30%	24,970	22,266	20,910	21,000	17,598	18,839	19,053	17,586	16,398
Other Expenses	17,665	21%	22,976	18,160	17,480	11,666	16,731	12,625	16,252	11,845	11,763
Expenses Before Depreciation:	82,994	100%	84,464	72,051	70,409	68,541	69,075	65,353	66,789	58,330	56,105
Depreciation	47,232		46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260	29,199
	130,225		130,571	116,211	113,220	110,800	107,387	100,612	100,566	90,590	85,304
Income before Capital Contributions, Special & Extraordinary Items	\$ 16,755		\$ 8,937	\$ 13,356	\$ 6,325	\$ (2,667)	\$ (818)	\$ 5,042	\$ (362)	\$ 8,255	\$ 11,277

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

Source: The Authority's Accounting Department



Total Annual Revenues, Expenses, and Changes in Net Position

For the 10 Years Ended December 31, 2018

(dollars in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OPERATING REVENUES										
Parking Revenue	\$ 38,694	\$ 36,006	\$ 34,821	\$ 32,880	\$ 30,131	\$ 28,888	\$ 27,788	\$ 27,188	\$ 25,395	\$ 24,391
Airline Revenue	32,676	35,125	30,215	26,608	26,869	28,241	27,222	25,085	24,783	24,204
Concession Revenue	23,151	21,800	21,791	20,122	18,937	18,091	18,578	18,276	17,486	16,897
Other Revenue	22,216	19,645	17,391	16,269	12,256	9,732	7,360	6,900	6,551	7,584
Total Operating Revenues	116,738	112,575	104,218	95,879	88,193	84,952	80,949	77,450	74,215	73,077
OPERATING EXPENSES										
Employee Wages & Benefits	43,310	42,287	37,606	33,005	32,854	33,267	31,672	30,680	30,252	28,267
Purchase of Services	36,750	35,124	31,137	27,348	26,177	26,224	25,878	28,128	19,829	20,198
Materials & Supplies	5,293	3,964	4,607	4,909	5,701	5,621	3,673	3,599	3,567	2,744
Hotel Services	2,576	2,487	2,437	2,149	665	-	-	-	-	-
Other Expenses	57	25	138	63	121	60	17	61	71	6
Total Operating Expenses	87,986	83,889	75,926	67,475	65,517	65,172	61,239	62,468	53,719	51,216
Operating Income										
Before Depreciation	28,751	28,686	28,293	28,404	22,675	19,781	19,709	14,981	20,496	21,861
Less: Depreciation	47,232	46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260	29,199
Operating Income (Loss)	(18,480)	(17,420)	(15,867)	(14,407)	(19,583)	(18,532)	(15,549)	(18,796)	(11,764)	(7,338)
NON-OPERATING REVENUES (EXPENSES)										
Investment Income	1,493	986	662	475	334	319	447	804	1,244	1,524
Passenger Facility Charges	16,701	14,802	14,436	13,576	12,562	12,238	12,954	13,059	13,332	12,584
Rental Car Facility Charges	11,521	10,582	9,768	7,876	6,519	6,470	6,257	5,615	5,011	4,457
Interest Expense	(1,708)	(1,782)	(3,477)	(2,747)	(2,846)	(3,718)	(3,929)	(4,136)	(4,425)	(4,704)
Gain (Loss) on Securities	(96)	(232)	(170)	(65)	(48)	(195)	17	18	(114)	(402)
Amortization of Deferred Loss on Bond Refunding	58	58	(158)	(185)	(177)	(185)	(185)	(185)	(185)	(185)
Gain (Loss) on Disposal of Assets	7,111	1,303	7,768	1,273	(100)	73	2,265	(2,095)	(302)	79
Other Non-Operating Revenues	155	639	395	531	672	2,712	2,766	5,354	5,458	5,262
Total Non-Operating Revenues	35,235	26,357	29,223	20,732	16,916	17,714	20,592	18,434	20,018	18,614
Income Before Capital Contributions, Special & Extraordinary Items										
	16,755	8,937	13,356	6,325	(2,668)	(818)	5,042	(362)	8,254	11,277
Capital Contributions	8,435	11,335	19,006	2,089	15,652	14,200	45,770	34,276	22,951	10,720
Increase In Net Position	25,189	20,272	32,362	8,414	12,984	13,382	50,812	33,914	31,205	21,996
Net Position - Beginning of Year	803,886	783,613	751,251	758,949	745,964	732,582	681,770	647,856	616,651	594,655
Restatement for GASB 68, 71, & 75	(18,608)	-	-	(16,111)	-	-	-	-	-	-
Total Net Position - End of Year	\$810,467	\$803,886	\$783,613	\$751,251	\$758,949	\$745,964	\$732,582	\$681,770	\$647,856	\$616,651

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

Source: The Authority's audited financial statements

Statements of Net Position

For the 10 Years Ended December 31, 2018

(dollars in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
ASSETS										
Current Assets - Unrestricted										
Cash & Cash Equivalents	\$ 33,106	\$ 40,112	\$ 40,700	\$ 21,516	\$ 24,547	\$ 16,784	\$ 22,187	\$ 23,388	\$ 22,178	\$ 28,031
Other Investments	21,511	8,191	12,073	3,998	2,501	9,135	9,153	3,262	6,090	14,791
Accounts Receivable - Trade & Capital Grants, Net	13,883	18,114	19,346	21,031	31,878	33,396	33,551	13,583	16,048	9,594
Accounts Receivable - Other	1,684	1,967	700	1,005	1,011	1,826	1,869	1,643	2,278	1,113
Interest Receivable	317	217	201	188	131	99	96	153	192	254
Direct Financing Leases Receivable	-	-	-	-	-	-	-	-	368	491
Deposits, Prepaid Items, & Other	3,225	2,940	2,975	2,624	2,795	2,499	2,347	1,960	2,373	2,212
Total Current Assets	73,726	71,541	75,994	50,362	62,862	63,739	69,202	43,988	49,528	56,486
NON-CURRENT ASSETS										
Non-Current Assets - Unrestricted										
Other Investments	31,041	33,586	29,386	37,188	73,833	60,826	53,520	52,848	58,029	45,930
Accounts Receivable - Other	317	295	287	274	272	265	262	258	260	266
Net Pension Asset	498	210	185	144	-	-	-	-	-	-
Direct Financing Leases Receivable	-	-	-	-	-	-	-	-	-	368
Land	95,282	95,088	97,302	101,576	100,168	103,869	103,821	103,733	102,038	104,624
Construction In Progress	33,960	30,162	10,303	75,461	36,080	27,981	104,365	63,311	36,510	18,084
Depreciable Capital Assets - Net of Accumulated Depreciation	631,303	633,213	653,128	581,868	614,021	607,333	515,038	522,482	494,430	504,208
Total Non-Current Assets - Unrestricted	792,401	792,554	790,591	796,510	824,373	800,274	777,004	742,633	691,267	673,480
Non-Current Assets - Restricted										
Cash & Cash Equivalents	41,188	21,428	10,898	14,019	22,587	22,790	26,714	28,352	30,044	26,755
Other Investments	62,974	62,319	59,805	52,366	-	-	-	-	17,674	12,280
Total Non-Current - Restricted	104,162	83,747	70,702	66,385	22,587	22,790	26,714	28,352	47,718	39,036
Total Non-Current Assets	896,564	876,302	861,293	862,895	846,959	823,064	803,719	770,985	738,985	712,516
Total Assets	970,290	947,843	937,287	913,257	909,821	886,802	872,921	814,973	788,513	769,002
Deferred Outflows of Resources										
Deferred Loss On Bond Refunding (Net of Accumulated Amortization)	-	-	-	1,100	1,286	1,462	1,648	1,833	2,018	2,204
Pensions & OPEB	9,187	16,904	12,027	4,627	-	-	-	-	-	-
Total Deferred Outflows of Resources	9,187	16,904	12,027	5,728	1,286	1,462	1,648	1,833	2,018	2,204
Total Assets & Deferred Outflows of Resources	\$ 979,477	\$ 964,746	\$ 949,314	\$ 918,985	\$ 911,107	\$ 888,265	\$ 874,569	\$ 816,806	\$ 790,531	\$ 771,205
LIABILITIES										
Current Liabilities - Unrestricted										
Payable from Unrestricted Assets:										
Accounts Payable - Trade	\$ 8,684	\$ 8,512	\$ 7,111	\$ 5,389	\$ 6,259	\$ 10,290	\$ 6,037	\$ 6,281	\$ 13,886	\$ 4,195
Accrued Interest Payable	143	135	149	1,509	1,430	1,494	2,128	2,195	2,285	2,372
Accrued & Withheld Employee Benefits	7,458	7,152	6,296	5,512	4,971	5,188	4,387	3,848	3,881	2,991
Unearned Rent	391	364	509	518	500	1,258	1,559	1,621	491	1,002
Other Accrued Expenses	11,576	10,403	13,808	10,683	5,704	4,906	5,760	7,192	7,008	4,242
Total Current Liabilities	28,252	26,565	27,873	23,611	18,864	23,137	19,872	21,137	27,552	14,803
Long-Term Liabilities										
Payable from Restricted Assets - Due within 1 Year										
Retainages on Construction Contracts	1,333	685	510	1,109	1,235	1,609	1,275	3,510	559	606
Customer Deposits & Other	435	430	447	533	-	-	-	-	-	-
Current Portion of Long-Term Debt	10,152	9,966	9,378	7,852	5,266	4,987	4,242	4,052	3,872	3,795
Revolving Bank Loan	9,659	9,500	9,500	2,000	45,000	25,000	20,000	-	-	-
Commercial Paper Notes	-	-	-	-	-	-	-	5,000	5,000	21,500
Total Payable from Restricted Assets Due within 1 Year	21,578	20,581	19,835	11,494	51,501	31,596	25,517	12,562	9,431	25,901
Payable from Unrestricted Assets										
Due in more than 1 Year										
Compensated Absences	1,449	1,286	1,703	1,301	1,618	1,743	1,658	1,536	1,362	1,406
Unearned Rent	1,953	2,069	6,362	10,992	10,765	10,811	10,552	10,770	11,034	13,696
Net Pension & OPEB Liability	46,583	38,666	27,916	19,082	-	-	-	-	-	-
Long-Term Debt, Less Current Portion, Net	60,864	71,017	80,983	100,875	68,960	74,471	83,978	88,525	92,878	98,315
Total Payable from Restricted Assets Due in more than 1 Year	110,850	113,037	116,964	132,249	81,343	87,025	96,188	100,831	105,275	113,417
Total Long-Term Liabilities	132,428	133,618	136,799	143,744	132,844	118,621	121,705	113,393	114,706	139,319
Total Liabilities	160,680	160,183	164,673	167,355	151,708	141,758	141,577	134,530	142,258	154,122
DEFERRED INFLOWS OF RESOURCES										
Deferred Gain On Bond Refunding (Net of Accumulated Amortization)										
Pensions & OPEB:	8,038	328	620	379	-	-	-	-	-	-
Total Deferred Inflows of Resources	8,329	678	1,028	379	-	-	-	-	-	-
NET POSITION										
Net Investment in Capital Assets	679,579	667,630	660,463	649,278	632,328	636,187	616,650	593,782	533,246	505,509
Restricted:										
Passenger Facility Charges	30,185	15,593	4,568	-	-	-	-	-	23,387	14,559
Customer Facility Charges (Rental Cars)	59,060	53,968	52,899	43,189	-	-	-	-	-	-
Bond Reserves	13,584	13,502	12,725	22,087	20,901	20,639	25,030	24,336	23,355	23,438
Total Net Position - Restricted	102,830	83,063	70,192	65,276	20,901	20,639	25,030	24,336	46,742	37,997
Net Position - Unrestricted	28,059	53,193	52,958	36,697	105,719	89,138	90,902	63,652	67,868	73,145
TOTAL NET POSITION	810,467	803,886	783,613	751,251	758,949	745,964	732,582	681,770	647,856	616,651
Total Liabilities & Net Position	\$ 979,477	\$ 964,746	\$ 949,314	\$ 918,985	\$ 911,107	\$ 887,722	\$ 874,159	\$ 816,300	\$ 790,114	\$ 770,773

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

Schedule of Insurance in Force

As of January 1, 2019

Type of Coverage	Insurer	Policy Limit	Expiration Date
AIRPORT PROPERTY INSURANCE			
Building & Contents Including Mobile Equipment	XL Insurance America, Inc. (AXA)	\$ 500,000,000	12/01/19
Builders Risk Insurance - Residence Inn	AGCS Marine Insurance Company (Allianz)	\$	06/08/20
LIABILITY INSURANCE			
Aviation Liability Primary	ACE Property & Casualty Insurance Co.	\$ 100,000,000	11/01/19
Aviation Liability Excess	Underwriters at Lloyds, London (various syndicates)	\$ 650,000,000	
Business Auto	Hudson Insurance Company	\$ 1,000,000	11/01/19
Pollution Liability (LCK, CMH, TZR) (includes storage tank pollution)	Illinois Union Insurance Company	\$ 13,000,000	01/01/22
Public Officials & Employment Practices Liability	ACE American Insurance Company	\$ 10,000,000	11/01/19
Police Professional	QBE Specialty Insurance Company	\$ 10,000,000	12/01/19
Crime	National Union Fire Insurance Company of PA	\$ 1,000,000	11/01/19
Fiduciary Liability	Federal Insurance Company	\$ 1,000,000	11/01/19
Special Crime	Federal Insurance Company	\$ 5,000,000	11/01/19
Active Shooter/Malicious Attack	Underwriters at Lloyds, London (Hiscox)	\$ 1,000,000	12/01/19
International Commercial Insurance	Vigilant Insurance Company (Chubb)	\$ 1,000,000	11/01/19
Hotel Liability Primary	State Auto Mutual Insurance Company	\$ 1,000,000	11/01/19
Hotel Liability Excess	State Auto Mutual Insurance Company	\$ 14,000,000	11/01/19
SURETY			
Surety Bonds	CNA/Western Surety Company & Liberty Mutual	\$ 250,000	06/23/19
WORKERS' COMPENSATION & EMPLOYERS' LIABILITY INSURANCE			
Excess Workers' Compensation & Employers' Liability Underlying Self Insured \$1,000,000	Arch Insurance Company	Statutory	11/01/19
EMPLOYEE BENEFITS (HEALTH, LIFE, DENTAL)			
Individual Stop Loss	United Healthcare	Unlimited	04/30/19
Aggregate Stop Loss	United Healthcare	\$ 1,000,000	04/30/19

Source: The Authority's Accounting Department

Ratios of Outstanding Debt

For the 10 Years Ended December 31, 2018

(in thousands except outstanding debt per enplaned passenger)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OUTSTANDING DEBT BY TYPE:										
Revolving Bank Loan	\$ 9,659	\$ 9,500	\$ 9,500	\$ 2,000	\$ 45,000	\$ 25,000	\$ 20,000	\$ -	\$ -	\$ -
Commercial Paper Notes	-	-	-	-	-	-	-	5,000	5,000	21,500
General Airport Revenue Bond (GARB)	71,017	80,983	90,361	108,727	74,226	79,384	88,071	92,354	96,453	100,379
Ohio Public Works Commission	-	-	-	-	-	74	149	223	298	372
Other Debt	-	-	-	-	-	-	-	-	-	1,360
Total Outstanding Debt	\$ 80,675	\$ 90,483	\$ 99,861	\$ 110,727	\$ 119,226	\$ 104,458	\$ 108,220	\$ 97,577	\$ 101,751	\$ 123,611
Enplaned Passengers	4,076	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184	3,123
Outstanding Debt Per Enplaned Passenger	\$ 19.79	\$ 23.91	\$ 27.29	\$ 32.63	\$ 37.57	\$ 33.53	\$ 34.09	\$ 30.59	\$ 31.96	\$ 39.58

Source: The Authority's Accounting Department

Schedule of Debt and Obligation Coverages

For the 10 Years Ended December 31, 2018

(dollars in thousands, except coverage)

Year	Gross Revenue ⁽¹⁾	Operating Expense ⁽²⁾	Net Revenue Available for Debt & Obligation Payments	Debt Obligation Requirements			
				Principal	Interest	Total	Coverage
2018	\$125,400	\$(87,986)	\$37,414	\$9,966	\$1,708	\$11,674	3.20
2017	\$115,272	\$(83,889)	\$31,383	\$9,378	\$1,782	\$11,160	2.81
2016	\$112,873	\$(75,926)	\$36,947	\$7,852	\$3,477	\$11,329	3.26
2015	\$98,092	\$(75,926)	\$22,166	\$5,266	\$2,747	\$8,013	2.77
2014	\$89,050	\$(65,517)	\$23,533	\$4,987	\$2,846	\$7,833	3.00
2013	\$87,861	\$(65,517)	\$22,344	\$4,242	\$3,718	\$7,960	2.81
2012	\$86,443	\$(61,239)	\$25,204	\$4,052	\$3,929	\$7,982	3.16
2011	\$81,530	\$(62,468)	\$19,062	\$3,872	\$4,136	\$8,008	2.38
2010	\$80,500	\$(53,719)	\$26,781	\$3,795	\$4,425	\$8,220	3.26
2009	\$79,539	\$(51,216)	\$28,323	\$3,635	\$4,704	\$8,339	3.40

Source: The Authority's Accounting Department

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

⁽²⁾ Direct Operating Expense excludes Depreciation.

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

Capital Asset Statistics By Function

For Year Ended December 31, 2018

Airport Codes:

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

	CMH	LCK	TZR
Location	6 miles East of downtown Columbus	10 miles South of downtown Columbus	8 miles Southwest of downtown Columbus
Elevation:	815 ft	744 ft	904 ft
International:	Yes: FIS facility	Yes: FIS facility	No
Tower:	24/7 daily + TRACON	24/7 daily	0730-1930 daily
FBO:	Lane, Signature	Rickenbacker Aviation	Columbus Jet
Acres (+/-):	2,271	4,118	1,307
Runways:	10L-28R: ILS, GPS 8,000 x 150 ft 10R-28L: ILS, GPS 10,113 x 150 ft	5L-23R: ILS, GPS 11,902 x 150 ft 5R-23L: ILS, GPS 12,102 x 200 ft	4-22: ILS, GPS 5,500 x 100 ft
TERMINAL:			
Airlines - sq ft	285,908		
Tenants - sq ft	73,813	706	307
Public/Common - sq ft	242,288	14,872	2,015
Mechanical - sq ft	98,455	1,054	1,290
Other-sq ft	199,033	25,819	3,078
Total - sq ft	899,497	42,451	6,690
Number of passenger gates	33	2	0
Number of loading bridges	31	2	0
Number of Concessionaires in Terminal	48	1	1
Number of Rental Car Agencies	8	0	0
APRON:			
Commercial Airlines - sq ft	1,394,395	0	0
Cargo Airlines - sq ft	0	3,210,300	0
FBO - sq ft	487,900	474,100	39,600
PARKING:			
Spaces Assigned:			
Garage:		Main Lot	350
Rental cars	1,144	Overflow Lot	237
Short-term	274	Lot 3	350
Long-term	2,975		
Walking Lot	294		
Shuttle/Remote Lots:			
Blue Lot			
Covered	235		
Uncovered	3,127		
Red Lot	2,686		
Green Lot	2,130		
Employee Lot	1,957		
Total	14,822	937	
CARGO:			
Air Cargo Building - sq ft	60,000	292,915	0

Source: The Authority's Accounting Department

Air Commerce Trends — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2018

Year	Total Passenger Volume	% Change	IN POUNDS		
			Cargo ⁽¹⁾	Freight ⁽²⁾	Mail
2018	8,141,656	7.5	316,735	6,520,856	2,801,232
2017	7,576,592	3.4	282,117	7,844,389	3,043,960
2016	7,324,180	7.8	150,020	7,395,351	2,601,198
2015	6,796,393	6.9	254,184	7,471,160	3,658,735
2014	6,356,026	2.1	232,582	8,056,811	2,620,976
2013	6,224,348	(2.0)	377,118	7,596,259	2,876,666
2012	6,350,446	(0.4)	213,757	7,735,935	2,656,239
2011	6,378,722	0.2	66,236	7,093,122	2,256,616
2010	6,366,191	2.1	95,895	6,919,425	2,630,001
2009	6,233,485	(9.8)	74,535	7,663,839	2,633,530

Source: The Authority's Business Development Department

¹⁾Freight carried by cargo carriers

²⁾Freight carried in the belly of an air carrier

Air Commerce Trends — Rickenbacker International Airport
For the 10 Years Ended December 31, 2018

Year	Total Passenger Volume	% Change	Cargo (in pounds)	% Change
2018	307,247	15.2	300,966,560	17.6
2017	266,624	31.2	255,961,923	26.6
2016	203,269	22.3	202,159,519	1.8
2015	166,251	81.6	198,596,025	15.9
2014	91,572	175.2	171,422,618	11.6
2013	33,269	129.9	153,670,161	(2.4)
2012	14,469	(2.8)	157,373,134	7.7
2011	14,880	40.5	146,164,909	(5.0)
2010	10,587	(19.1)	153,793,913	(2.9)
2009	13,082	(41.1)	158,450,106	(20.7)

Source: The Authority's Business Development Department

Airline Cost Per Enplaned Passenger — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2018

(in thousands except airline cost per enplaned passenger)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Airline Cost for the Airfield Area	\$17,516	\$15,813	\$16,585	\$16,278	\$16,400	\$16,404	\$16,458	\$16,403	\$16,060	\$14,809
Airline Cost for the Terminal Building	17,803	16,610	15,044	13,513	12,735	11,977	12,014	11,007	9,820	9,194
Airline Cost for the Aircraft Parking Area	4,428	4,072	3,996	3,894	3,880	3,732	3,404	2,913	2,639	2,060
General Airline Credit	(5,722)	(5,884)	(5,638)	(4,804)	(7,377)	(4,461)	(4,431)	(5,853)	(3,953)	(3,275)
Supplemental Airline Credit	(1,750)	(1,000)	(3,750)	(3,250)	-	-	-	-	-	-
Total Airline Cost	\$32,275	\$29,611	\$26,237	\$25,631	\$25,638	\$27,652	\$27,445	\$24,470	\$24,566	\$22,788
Enplanements	4,076	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184	3,123
Airline Cost per Enplaned Passenger	\$7.92	\$7.82	\$7.17	\$7.55	\$8.08	\$8.88	\$8.64	\$7.67	\$7.72	\$7.30

Source: The Authority's Accounting Department

NOTE: The Authority negotiated a five-year agreement effective January 1, 2015 through December 31, 2019. The rates and charges are calculated pursuant to formulas set forth in the agreement.

Air Carrier Market Shares — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2018

	Market Share Percentage 2018	Total Airline Passengers 2018	TOTAL AIRLINE PASSENGERS									
			2017	2016	2015	2014	2013	2012	2011	2010	2009	
1 Southwest Airlines Airtran Airways ⁽¹⁾	35.5%	2,890,907	2,752,826	2,645,139	2,377,201	2,033,400	1,651,723	1,783,944	1,796,696	1,713,855	1,695,002	
		-	-	-	-	77,415	423,509	381,670	380,337	394,338	363,814	
2 American Airlines Group American Airlines ⁽²⁾ US Airways ⁽²⁾	23.0%	1,872,685	1,844,684	1,859,983	1,853,766	-	-	-	-	-	-	
		-	-	-	-	936,617	815,779	824,959	787,556	746,322	739,273	
		-	-	-	-	935,069	944,344	905,789	946,018	952,168	941,864	
3 Delta Airlines Northwest ⁽³⁾	21.4%	1,744,491	1,632,707	1,606,157	1,557,554	1,470,983	1,425,673	1,482,740	1,452,169	1,430,551	883,794	
	0.0%	-	-	-	-	-	-	-	-	-	493,543	
4 United Airlines Continental ⁽⁴⁾	12.3%	1,003,910	947,266	960,786	917,109	835,235	886,253	904,514	543,080	554,292	558,088	
	0.0%	-	-	-	-	-	-	-	340,083	423,108	436,990	
5 Frontier Airlines	2.0%	162,034	288,602	150,504	-	472	19,113	14,516	80,860	98,673	-	
6 Air Canada Midwest	0.9%	73,466	68,992	65,461	52,704	43,632	39,435	33,805	35,607	32,690	26,007	
	0.0%	-	-	-	-	-	-	-	-	-	73,284	
7 Spirit	4.3%	352,647	-	-	-	-	-	-	-	-	-	
Commercial Total	99.5%	8,101,699	7,535,077	6,758,334	6,332,823	6,332,823	6,205,829	6,331,937	6,362,406	6,345,997	6,211,659	
Scheduled Charter	0.1%	8,634	7,057	6,596	10,593	9,881	11,157	7,847	7,409	6,840	6,915	
Non-Scheduled Charter	0.4%	32,882	33,853	29,554	27,466	13,322	7,362	10,662	8,907	13,354	14,911	
Charter Total	0.5%	39,957	40,910	38,059	23,203	23,203	18,519	18,509	16,316	20,194	21,826	
Total Passengers	100.0%	8,141,656	7,575,987	6,796,393	6,356,026	6,356,026	6,224,348	6,350,446	6,378,722	6,366,191	6,233,485	

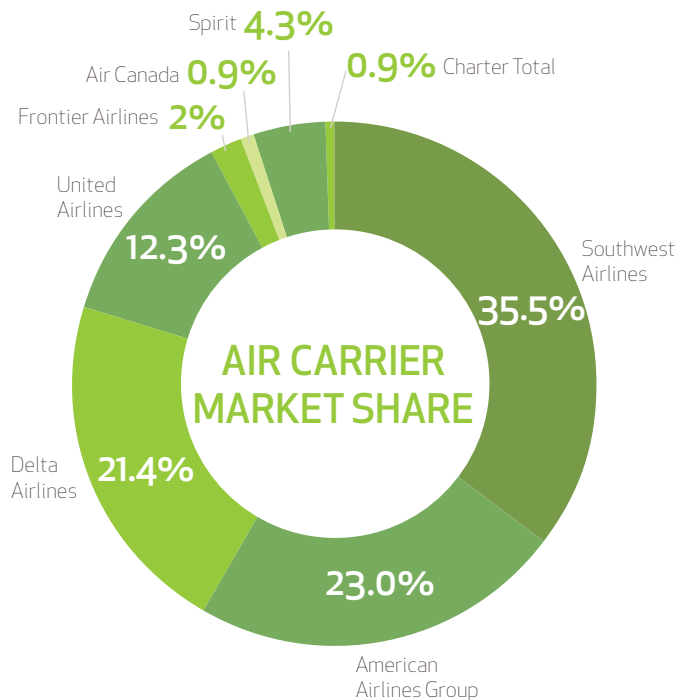
Source: The Authority's Accounting Department

⁽¹⁾ AirTran Airways merged with Southwest in December 2014.

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

⁽³⁾ Northwest was merged into Delta in January 2010.

⁽⁴⁾ Continental was merged into United in March 2012.



Top Ten Customers

For Year Ended December 31, 2018

	% of 2018 Operating Revenue	2018 Revenue	2009 Revenue
Southwest Airlines ⁽¹⁾	7.7%	\$8,944,000	\$7,683,000
American Airlines Group ⁽²⁾	7.0%	\$8,188,000	\$4,827,000
Delta Airlines ⁽³⁾	6.4%	\$7,466,000	\$4,707,000
United Airlines ⁽⁴⁾	3.9%	\$4,560,000	\$3,182,000
Avis Budget Car Rental LLC ⁽⁶⁾	2.8%	\$3,303,000	\$3,057,000
HMS Host	2.6%	\$3,067,000	\$1,670,000
National Alamo Car Rental ⁽⁵⁾	2.1%	\$2,439,000	\$1,274,000
Byers Rent A Car	2.0%	\$2,325,000	\$2,072,000
Paradies	1.7%	\$1,957,000	\$1,243,000
Enterprise Rent A Car ⁽⁵⁾	1.7%	\$1,947,000	\$810,000
Remainder	62.1%	\$72,542,000	\$42,552,000
Total Operating Revenue	100.0%	\$116,738,000	\$73,077,000

Source: The Authority's Accounting Department

⁽¹⁾ Airtran merged with Southwest in December 2014. 2008 Revenues include Airtran and Southwest for comparison.

⁽²⁾ American Airways & US Airways merged in October 2015 to form American Airlines group. 2008 Revenues include US Airways & American for comparison.

⁽³⁾ Northwest Airlines merged with Delta Airlines in 2010. 2008 Revenues include Delta and Northwest for comparison.

⁽⁴⁾ Continental Airlines merged with United Airlines in 2010. 2008 Revenues include United and Continental for comparison.

⁽⁵⁾ For calendar year 2017; Avis Rental Car & Budget Rental car were under one contract. 2008 Revenues include Avis & Budget for comparison.

⁽⁶⁾ For calendar year 2017; National and Alamo were under one contract under Midwest Car Corporation. 2008 Revenues include National and Alamo for comparison.

Budgeted Employees By Department

For the 10 Years Ended December 31, 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration	11	10	10	6	5	5	6	6	5	4
Airfield Services	78	77	76	77	82	82	79	79	75	82
Business Development & Communication	20	19	19	13	16	16	14	14	15	13
Facilities & Custodial	115	115	114	112	112	115	110	105	101	103
Finance, Accounting & Legal	22	25	25	31	29	29	29	28	27	27
Human Resources	13	11	11	9	10	10	9	7	6	6
Technologies	26	25	25	22	22	22	18	10	9	8
Operations	37	36	36	34	33	32	31	32	29	35
Parking & Ground Transportaion	12	11	11	11	11	11	11	12	11	11
Planning & Construction Administration	26	24	23	21	21	21	26	24	21	24
Public Safety	63	58	57	59	59	59	62	62	65	65
Real Estate	12	13	11	11	10	7	5	5	5	4
Total	435	424	418	406	410	409	400	384	369	382

Source: The Authority's Payroll Department

Largest Employers in the Greater Columbus Area

Ranked by number of full time employees

	% of Total 2017 Employment	2017	% of Total 2009 Employment	2009
1 The Ohio State University	2.96%	32,111	2.41%	23,093
2 OhioHealth	2.45%	26,599	0.82%	7,810
3 Wal-Mart Stores Inc.	2.40%	26,000	0.00%	-
4 State of Ohio	2.30%	24,955	2.67%	25,608
5 JPMorgan Chase & Co.	1.72%	18,701	1.77%	16,975
6 Nationwide	1.24%	13,455	1.17%	11,235
7 Nationwide Children's Hospital	1.11%	12,023	0.45%	4,278
8 Kroger Co.	1.03%	11,206	0.57%	5,417
9 City of Columbus	0.82%	8,873	0.81%	7,739
10 Mount Carmel Health System	0.80%	8,708	0.60%	5,701
11 Honda North America Inc	0.77%	8,300	0.73%	7,000
12 Columbus City Schools	0.73%	7,890	0.74%	7,095
13 L Brands	0.71%	7,662	0.54%	5,200
14 Franklin County	0.67%	7,249	0.66%	6,321
15 Huntington Bancshares Inc.	0.55%	5,983	0.44%	4,170
16 Cardinal Health Inc	0.51%	5,540	0.42%	4,030
17 Alliance Data	0.41%	4,400	0.21%	2,030
18 American Electric Power Company Inc.	0.39%	4,185	0.37%	3,527
19 U.S. Postal Service	0.33%	3,536	0.81%	7,770
20 Giant Eagle Inc	0.33%	3,533	0.00%	-
21 Abercrombie & Fitch Co.	0.28%	3,005	0.00%	-
22 DLA Land and Maritime	0.28%	3,000	0.31%	3,000
23 South-Western City School District	0.25%	2,701	0.00%	-
24 YMCA of Central Ohio	0.24%	2,608	0.00%	-
25 Verizon	0.22%	2,406	0.00%	-
Other Employers	76.50%	829,671	83.50%	799,501

Sources: Business First, December 29, 2017 Issue and 2017-2018 Book of Lists

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

- Not listed within the top 100

Estimated Civilian Labor Force and Annual Average Unemployment Rates

For the 10 Years Ended December 31, 2018

(labor force in thousands)

Year	FRANKLIN COUNTY		COLUMBUS MSA ⁽¹⁾		OHIO		U.S.
	Labor Force ⁽²⁾	Unemploy-Ment Rate ⁽³⁾	Labor Force ⁽²⁾	Unemployment Rate ⁽³⁾	Labor Force ⁽²⁾	Unemployment Rate ⁽³⁾	Unemployment Rate ⁽³⁾
2018	684.6	3.7%	1,082.1	3.8%	5,774	4.5%	3.9%
2017	680.6	4.0%	1,076.8	4.1%	5,780	5.0%	4.4%
2016	667.8	4.1%	1057.4	4.2%	5,739	5.0%	4.9%
2015	655.8	4.1%	1,038.8	4.2%	5,694	4.9%	5.3%
2014	647.3	4.9%	1,027.8	4.9%	5,701	5.8%	6.2%
2013	638.8	6.4%	1,016.1	6.5%	5,717	7.5%	7.4%
2012	630.1	6.4%	1,003.9	6.5%	5,706	7.4%	8.1%
2011	627.4	7.8%	1,003.8	7.8%	5,771	8.8%	8.9%
2010	626.8	8.9%	1,004.3	9.0%	5,847	10.3%	9.6%
2009	625.0	8.5%	994.8	8.7%	5,907	10.3%	9.3%

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

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

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

⁽³⁾ The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force.

Population and Personal Income Statistics Columbus Regional Airport Authority For the 10 Years Ended December 31, 2018

Year	FRANKLIN COUNTY			COLUMBUS MSA ⁽¹⁾			OHIO			U.S.
	Personal Income (In Thousands) ⁽²⁾	Population (In Thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Personal Income (In Thousands) ⁽²⁾	Population (In Thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Personal Income (In Thousands) ⁽²⁾	Population (In Thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Per Capita Personal Income ⁽⁴⁾
2018	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
2017	63,885,292	1,292	49,448	103,195.2	2,079	49,644	544,829	11,659	46,732	51,640
2016	61,212,304	1,270	48,199	98,657.4	2,047	48,197	525,057	11,622	45,176	49,831
2015	59,975,259	1,254	47,840	95,925.3	2,023	47,413	515,905	11,606	44,451	48,940
2014	56,890,672	1,235	46,044	91,057.1	1,998	45,564	496,514	11,594	42,826	47,025
2013	53,968,645	1,216	44,371	86,824.5	1,971	44,048	476,450	11,568	41,187	44,826
2012	53,346,879	1,199	44,507	85,104.8	1,947	43,719	469,904	11,547	40,695	44,582
2011	49,292,655	1,181	41,747	79,499.1	1,926	41,274	451,901	11,543	39,148	42,727
2010	45,443,997	1,166	38,965	73,622.9	1,907	38,620	423,062	11,539	36,663	40,545
2009	43,776,509	1,155	37,888	70,978.2	1,888	37,603	410,864	11,529	35,638	39,284

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Income Division - November 2017 (Preliminary data which is subject to change)

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

(NA) Data not available for this year.

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

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

(3) Census Bureau midyear population estimates. Estimates for 2010-2016 reflect county population estimates available as of March 2017.

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

COLUMBUS

Compliance Section

This section contains the following subsections:

Independent Auditor's Report on Compliance

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Passenger Facility Charges

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

Schedule of Findings and Questioned Costs

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

Independent Auditor's Report

To Management and the Board of Directors
Columbus Regional Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbus Regional Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To Management and the Board of Directors
Columbus Regional Airport Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus Regional Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Plante & Morse, PLLC

March 20, 2019

Report on Compliance for Each Major Federal Program
and Passenger Facility Charge Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

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

We have audited Columbus Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In addition, we audited compliance with the applicable requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide") for the year ended December 31, 2018. Columbus Regional Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge expenditure schedule.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Columbus Regional Airport Authority'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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"); and the applicable requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Those standards, the Uniform Guidance, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above

that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Columbus Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, Columbus Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and passenger facility charge program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of Columbus Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Columbus Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and passenger facility charge program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 Passenger Facility Charge Audit Guide for Public Agencies. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

March 20, 2019

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2018

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

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Total Amount Provided to Subrecipients	Federal Expenditures
DEPARTMENT OF TRANSPORTATION					
Direct:					
Federal Aviation Administration - Airport Improvement Program (AIP):	20.106				
VALE Infrastructure		3-39-0025-83	\$ 261,735	\$ -	\$ -
Replacement R/W Projects		3-39-0025-85	52,743	-	52,743
Acquire 3 Pieces of Multi-Tasking Snow Removal Equipment		3-39-0025-86	1,379,708	-	1,379,708
Rehabilitate Runway 4/22, Taxiways (A1, A2, A4, A5, and A6)		3-39-0026-25	2,031,544	-	2,031,544
Acquire Snow Removal Equipment		3-39-0117-41	-	-	83,968
Update Airport Master Plan Study		3-39-0117-42	740,054	-	740,054
LCK MOS Ph 1A & 1B Improv. & Update Pavement Mgmt		3-39-0117-43	1,049,137	-	1,049,137
LCK MOS Ph 1 Improvements		3-39-0117-44	5,198,027	-	5,198,027
VALE Infrastructure		3-39-0117-45	503,157	-	503,157
Subtotal Federal Aviation Administration			11,216,105	-	11,038,338
Pass Through:					
Ohio Dept. of Transportation - Rehabilitate Runway 4/22, Taxiways (A1, A2, A4, A5, and A6)	20.205				
		ODOT #M17-14	112,864	-	112,864
Subtotal Ohio Department of Transportation			112,864	-	112,864
National Highway Traffic Safety Administration - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	DUI FFY 2018	3,496	-	1,082
Subtotal National Highway Traffic Safety Administration			3,496	-	1,082
TOTAL DEPARTMENT OF TRANSPORTATION			11,332,465	-	11,152,284
DEPARTMENT OF JUSTICE					
Direct:					
Drug Enforcement Agency - Equitable Sharing Program	16.922	N/A	369,947	-	125,579
TOTAL DEPARTMENT OF JUSTICE			369,947	-	125,579
TOTAL FEDERAL AWARDS			\$ 11,702,412	\$ -	\$ 11,277,863

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

Schedule of Expenditures of Passenger Facility Charges
For the Year Ended December 31, 2018

Program	Receipts	Expenditures
Passenger Facility Charges	\$ 17,436,616	\$ 2,844,899

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

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

For the Year Ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies

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

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

Note 2 - Basis of Accounting

Basis of Accounting — The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid and requested rather than when the obligations are incurred. The basis for determining when federal awards are expended is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. In addition, expenditures reported on the Schedule are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section I - Summary of Auditor's Results

1. The independent auditors' report on the financial statements expressed an unmodified opinion
2. No significant deficiencies or material weaknesses in internal control over financial reporting were identified.
3. No instance of noncompliance considered material to the financial statements was disclosed.
4. No significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.
5. The independent auditor's report on compliance with requirements applicable to major federal award programs expressed an unmodified opinion.
6. The audit disclosed no findings, which are required to be reported by Section 2 CFR 200.516 (a).
7. The organization's major program was:
 Airport Improvement Program ("AIP") (CFDA #20.106).
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. The Auditee did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

Section II - Financial Statement Findings Section

No matters were noted.

Section III - Federal Award Findings and Questioned Cost Section

No matters were noted.







COLUMBUS
REGIONAL AIRPORT AUTHORITY