



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, December 10, 2021, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. In compliance with the state-wide mandate for COVID-19, members of the public may attend the Authority Board meeting at 8:30 a.m. on Friday, December 10, 2021 via Webex: 1-844-621-3956; Meeting Number (access code): 2630 995 5991

- I. CALL TO ORDER
- II. PRESENTATIONS:
 - A. Wifi Data – Tina Kinsey ([document](#))
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority November 12, 2021 Regular Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority November 12, 2021 Closed Session Minutes
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Presentation of Annual Audited Financial Report for Fiscal Year 2020/2021 ([document](#))
 - B. Approval of Amended Pay Grade Structure ([document](#))



- C. Approval of Amendment to the FY21/22 Budget for Revised Departmental Budgets ([document](#))
- D. Approval of Bond Underwriting Services ([document](#))

VII. DIRECTOR'S REPORT:

- A. Ground Transportation Update

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. October 2021 Traffic Report ([document](#))
- B. October 2021 Monthly Financial Report ([document](#))
- C. December 2021 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:

- None Identified at this Time

IX. PUBLIC AND TENANTS' COMMENTS

In compliance with the state-wide mandate for COVID-19, Public and Tenant Comments will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, December 9, 2021
2. Comments received, as specified above, shall be read during this Agenda period

X. CALL FOR NEXT MEETING: January 6, 2022



XI. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XII. AUTHORITY MEMBER REPORTS:

A. Key Strategic Elements ([document](#))

XIII. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.



Leveraging our Wifi Data

Overview

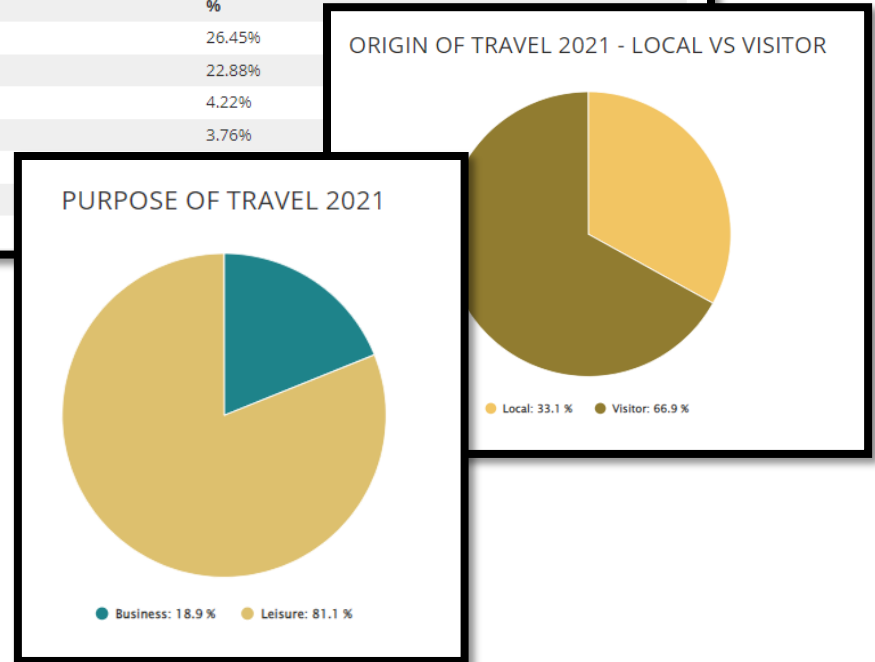
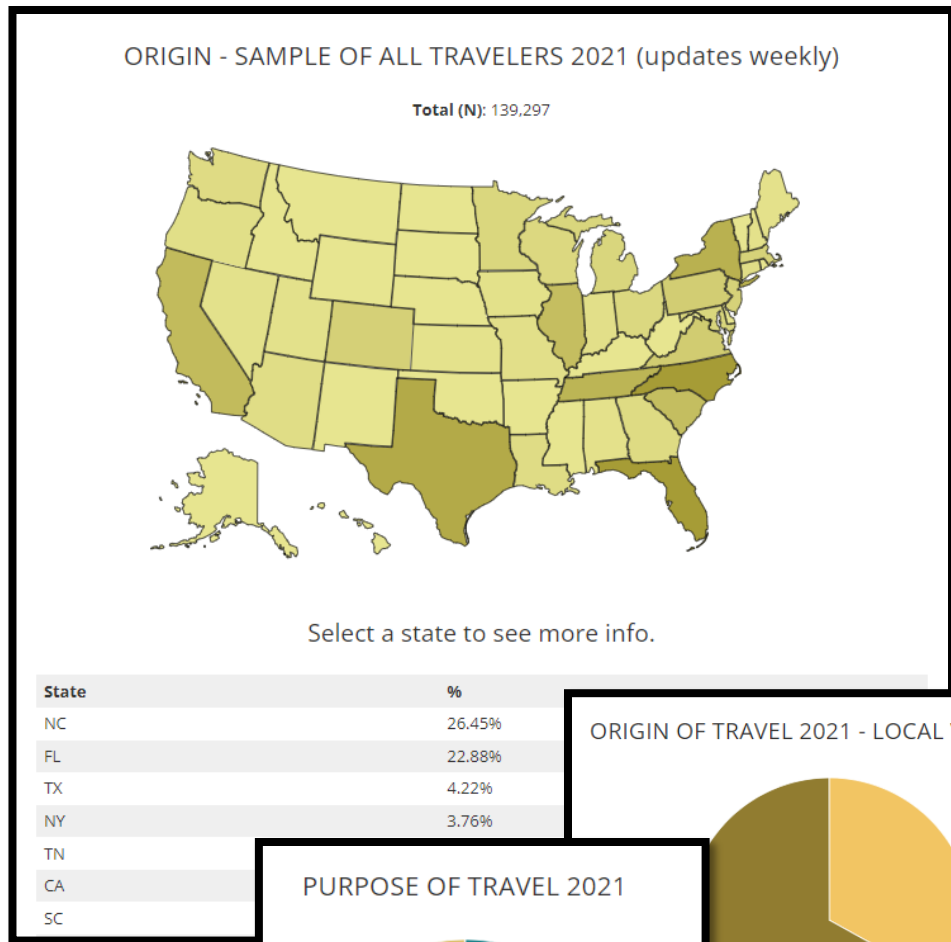
- October 2018 – launched wifi captive portal
- Capture data from users:
 - IP address
 - Date/time of all logins
 - Location of logins in terminal
 - Email address
 - Purpose of travel
 - Zip code of residence / country of residence
 - Overall satisfaction with AVL

18-22% of
travelers log in

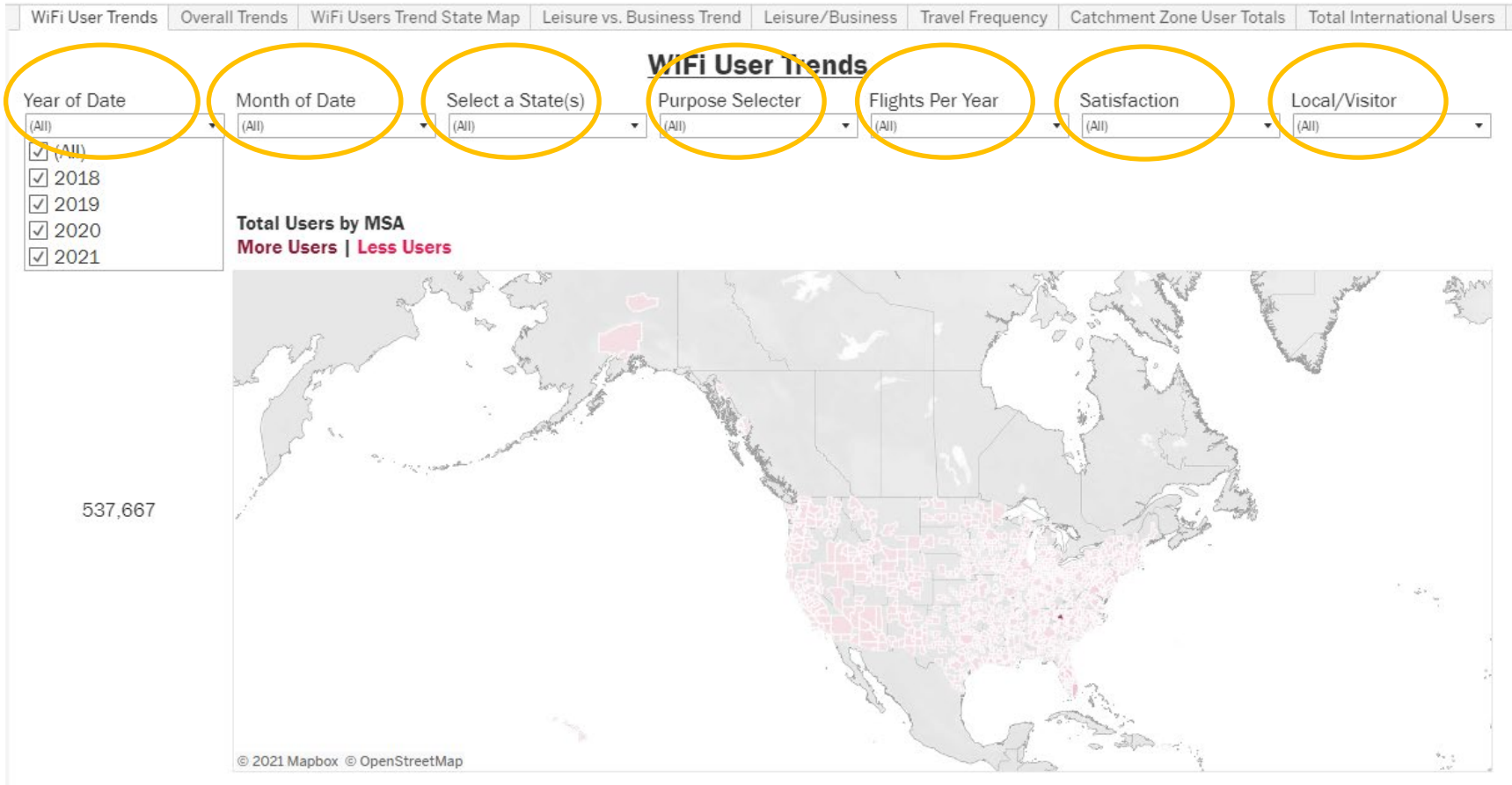
The screenshot shows the Asheville Regional Airport's Free Premium Wi-Fi registration page. At the top is the airport's logo. The main heading is "FREE PREMIUM Wi-Fi" with a sub-heading "Perfect for fast and easy downloading or streaming" and a note "(or the likely binge watching of your favorite shows)". The form includes several sections: a "Valid Email Address" field with a confirmation link instruction; a checkbox for "international traveler"; a "Zip Code of Residence" field; radio buttons for "Purpose of Today's Trip" (Business, Leisure, Not Flying); radio buttons for "Times Per Year I Fly" (1-2, 3-4, 5+); a satisfaction scale for "Overall Satisfaction with Asheville Regional Airport" ranging from "Love AVL & would recommend to friends and colleagues" to "Disatisfied"; a "Read + Accept User Agreement Below" section with a scrollable text area containing the "Guest Wi-Fi Wireless Networking User Agreement & Acceptable Use Policy" and "Acceptance of Terms and Conditions"; a final "ACCEPT + CONNECT" button; and a footer note: "Don't forget to click the confirmation link in your email to connect to AVL's FREE PREMIUM Wi-Fi for faster internet speed. Without clicking the link, you will be connected to AVL's Free Basic Wi-Fi. Happy surfing!".

Overview

- April 2020 – Developed web-based tool to graph basic info
 - Heat maps
 - Pie charts
- Summer 2021 – Developed more sophisticated web-based data analysis tool
 - Heat maps – drilled to zip code level
 - Slice and dice data in many ways
 - Powerful information



A peek behind the curtain – data analysis tool

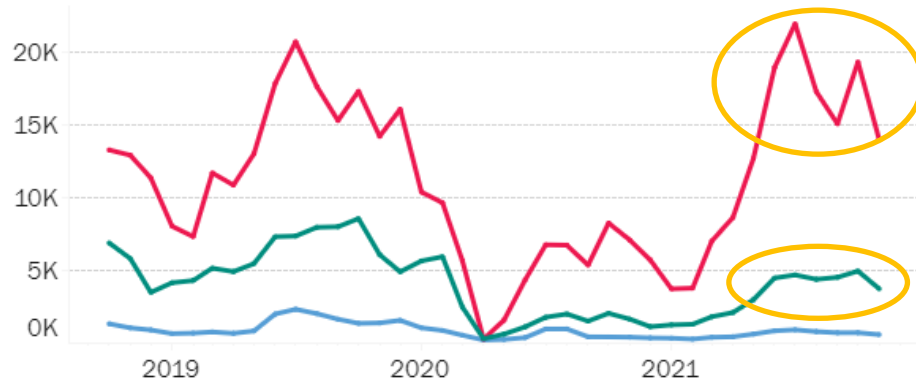


Example – High level user trends

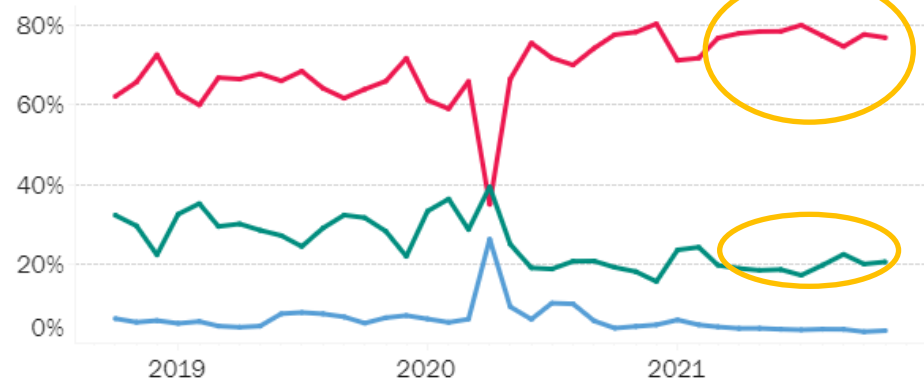
Overall User Travel Trends

Purpose of Travel
Business & Leisure & Not Flying

Total Users

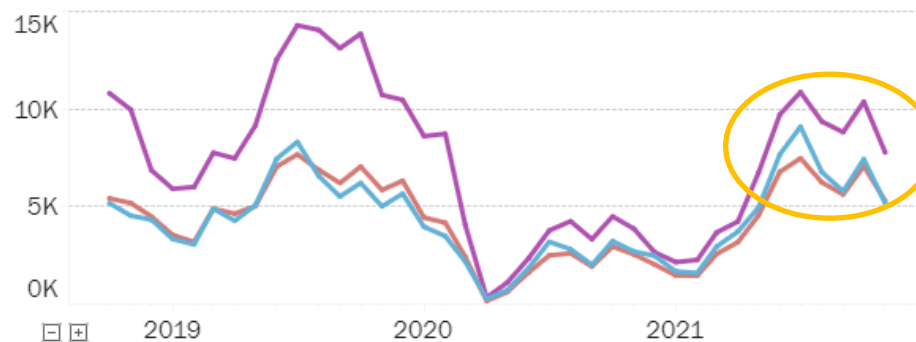


Percent of Total Users

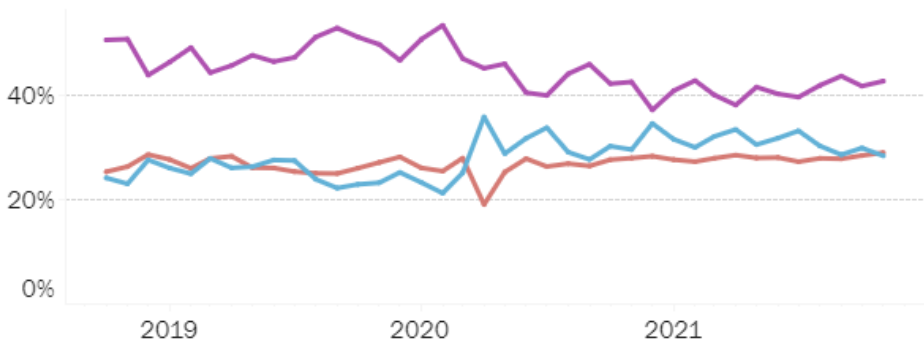


Flights per Year
1-2 & 3-4 & +5 per year

Total Users

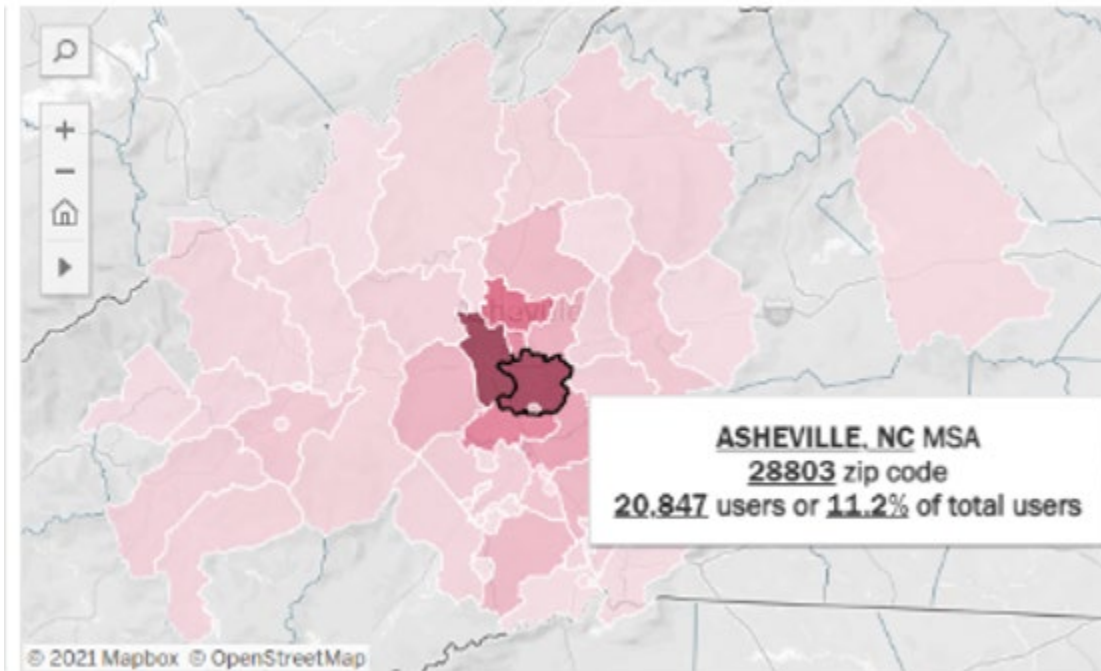


Percent of Total Users



Example – Market use by zip code

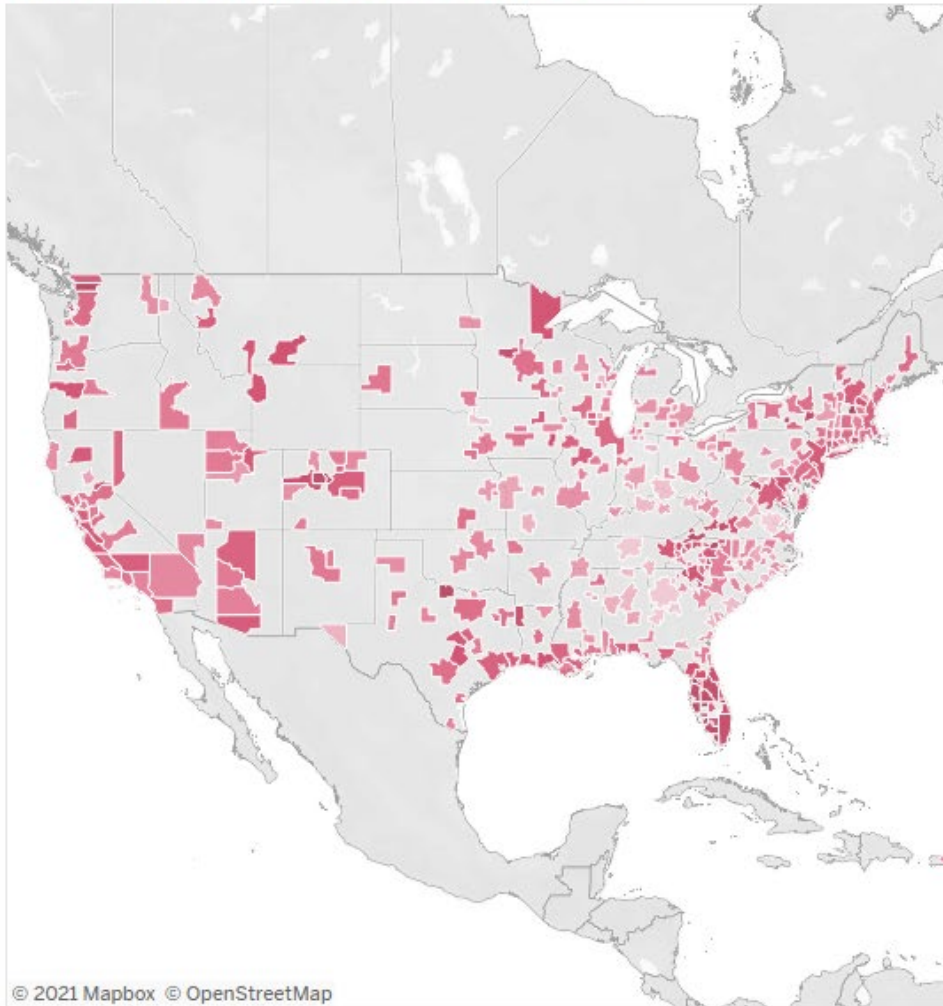
Total Users by Zip Code



Example – Purpose of travel by geo & zip code of residence

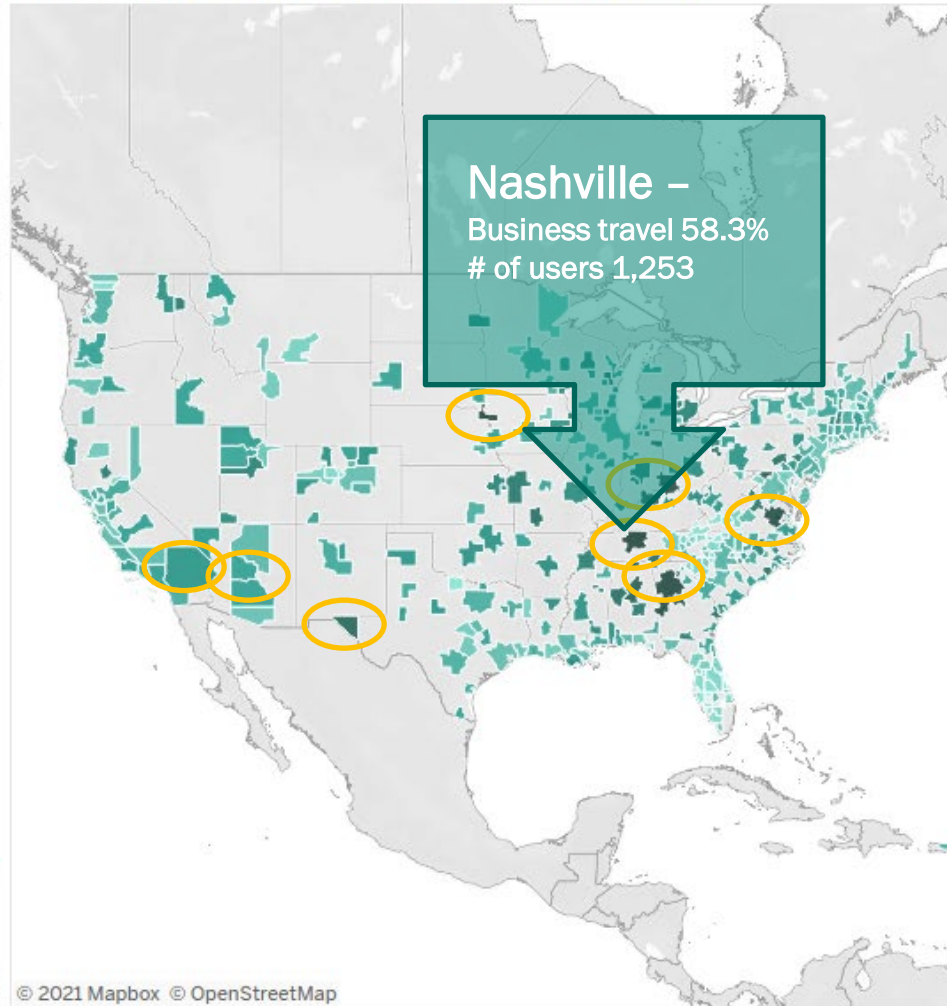
Percent of Leisure Travel

More Leisure Travel | Less Leisure Travel



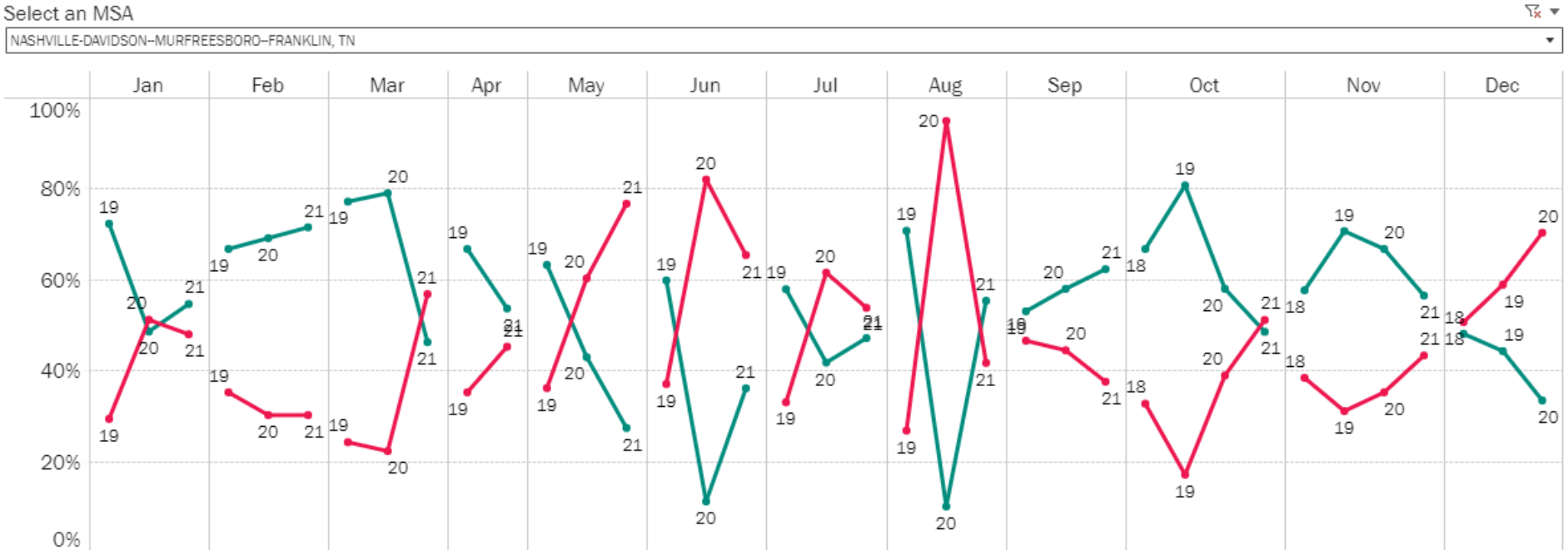
Percent of Business Travel

More Business Travel | Less Business Travel



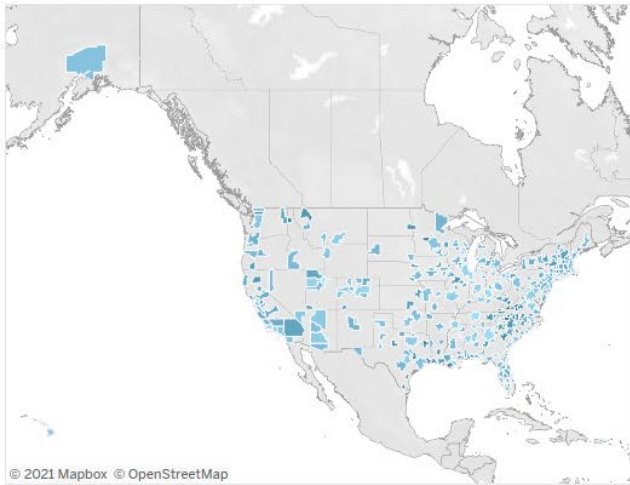
Example – Purpose trend by month & MSA of residence

Percent of Users for Business and Leisure
 Year-over-year percent of total users by month

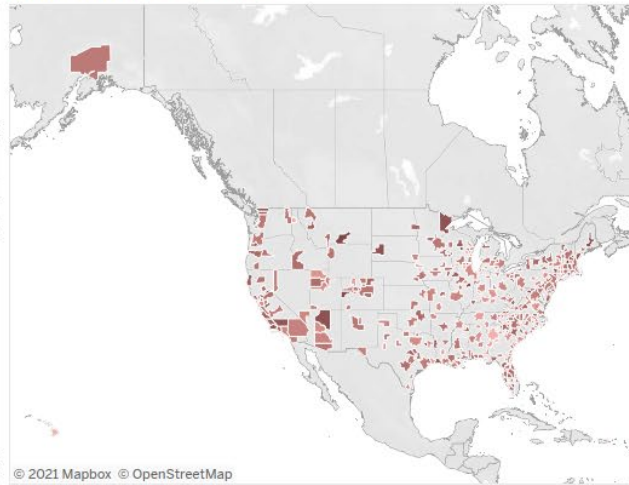


Example – Where our frequent travelers reside

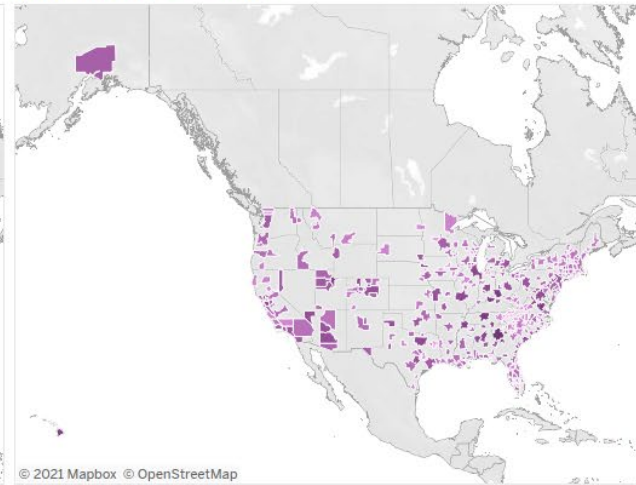
Percent of Users Traveling 1-2 Flights per Year
More Travel | **Less Travel**



Percent of Users Traveling 3-4 Flights per Year
More Travel | **Less Travel**



Percent of Users Traveling +5 Flights per Year
More Travel | **Less Travel**



How we use this data

- **Community relations & advertising**

- E-newsletter
- Social media audience-building
- Geographic targeting

WINDOW SEAT
go ahead, take a look.

Asheville
REGIONAL AIRPORT
Take the easy way out.

MESSAGE FROM LEW BLEIWEIS, A.A.E., EXECUTIVE DIRECTOR
WE ARE THANKFUL FOR YOU

I do hope you had a nice Thanksgiving. In "airport world," we have much to be thankful for – first and foremost, we are thankful for you!

While we've all seen media reports about unruly passengers, my experience is that the vast majority of air travelers - especially those flying from or to AVL – seem glad to be back in the skies, and are respectful of one another. It's a good feeling to see excitement about travel in the airport once again.

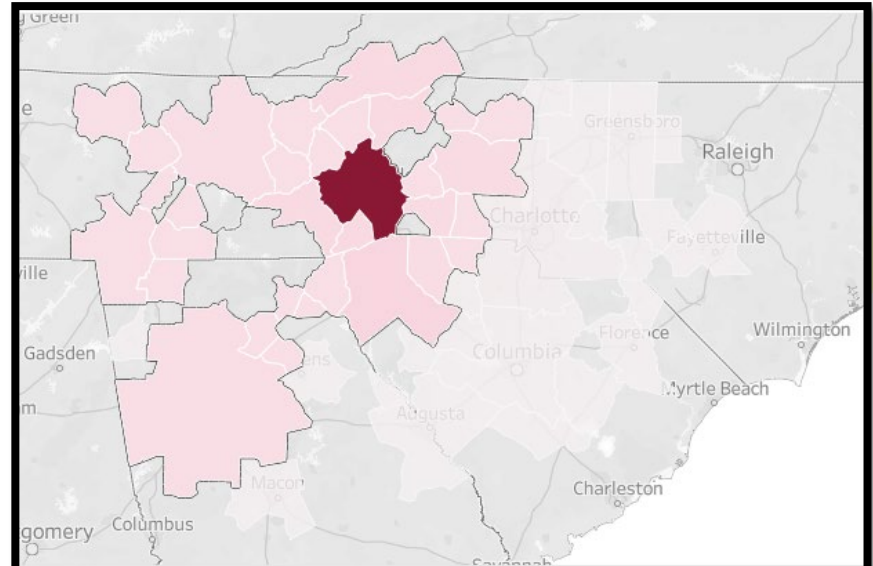
It's what I love about this industry. The connections made are meaningful. Aviation connects people to their loved ones, to special places, to special events and to adventure ... and I thank each of you for choosing to make those connections at AVL.

As we enter the next holiday season in coming weeks, I wish you all happy and safe travels.

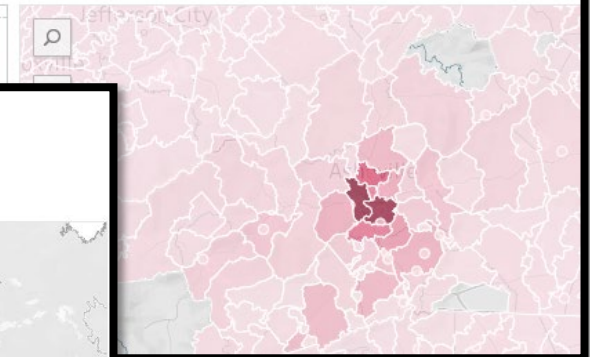
How we use this data

- Air service development

- Market analysis
- Business cases for airlines
- Identify new info to investigate



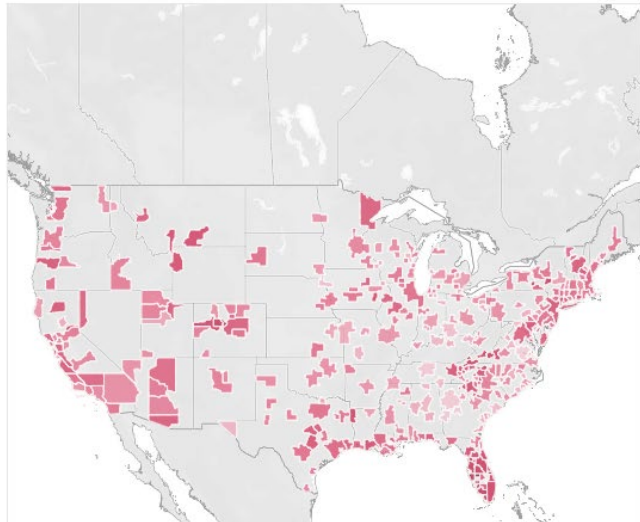
Total Users by Zip Code



Percent of Business/Leisure Travel Across MSAs with at least 50 Users

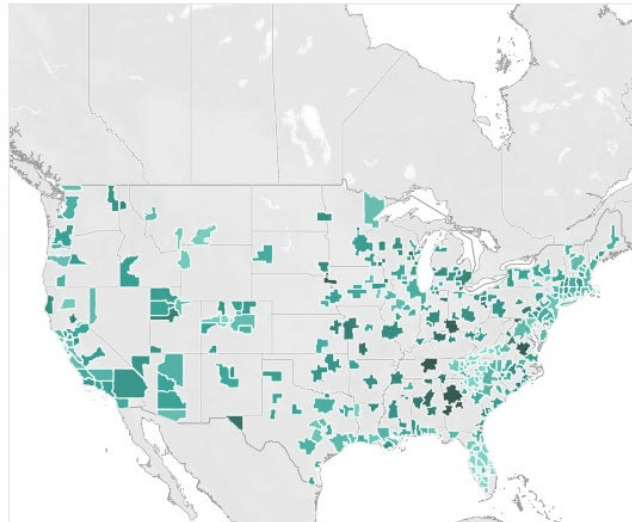
Percent of Leisure Travel

More Leisure Travel | Less Leisure Travel



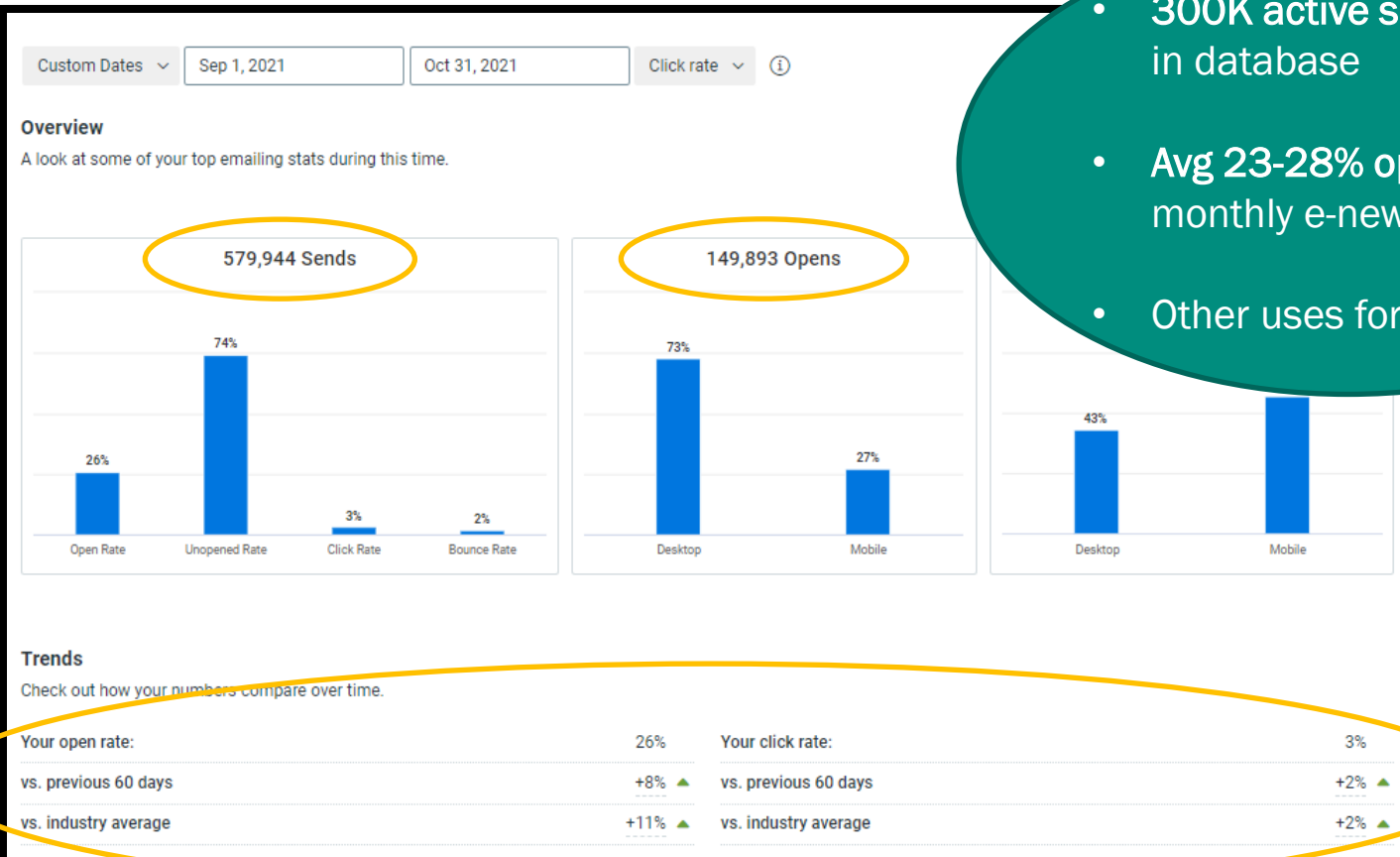
Percent of Business Travel

More Business Travel | Less Business Travel



A few key results so far

Marketing & Public Relations - Email marketing has become the most powerful tool in our advertising toolbox

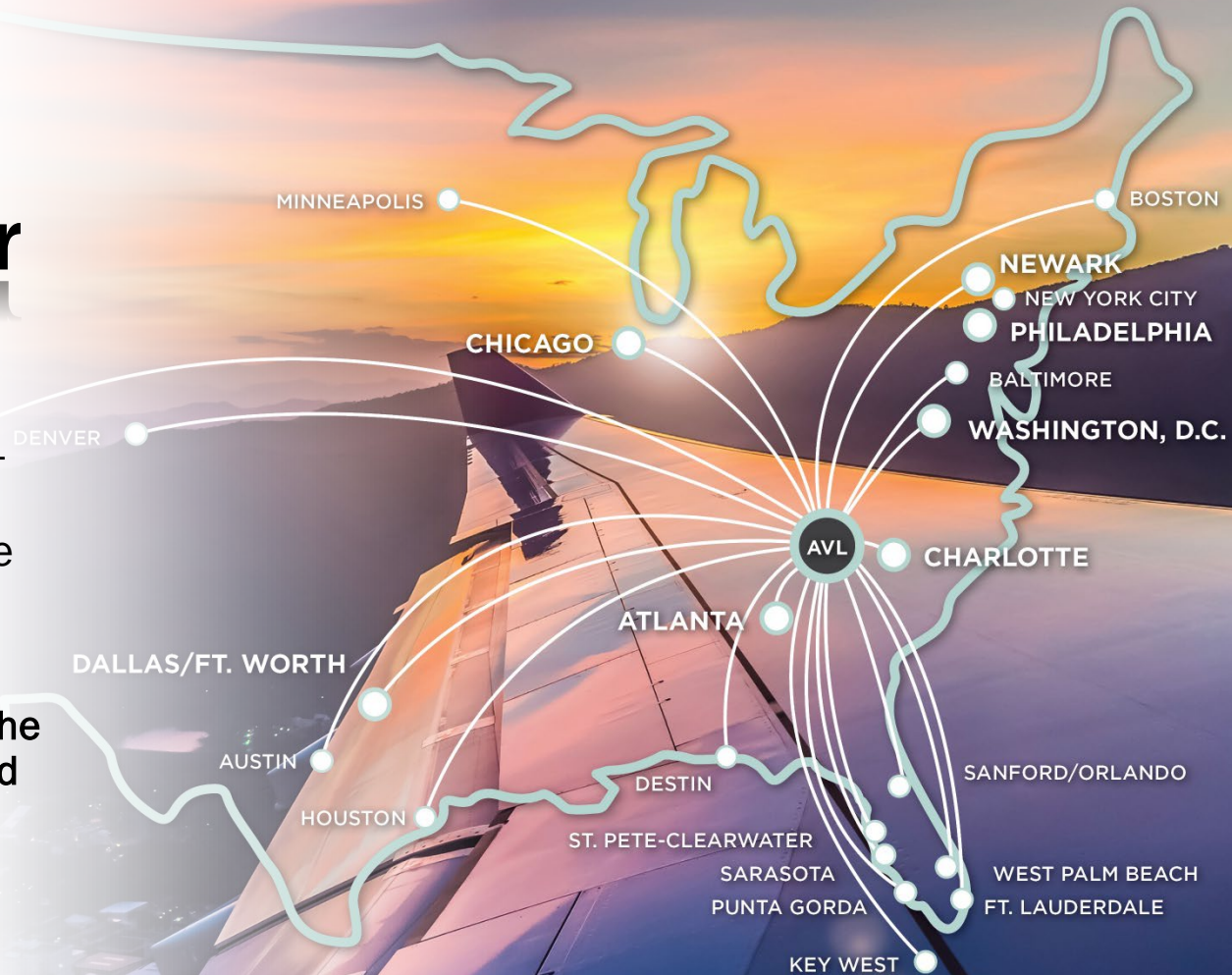


- 300K active subscribers in database
- Avg 23-28% open rate – monthly e-newsletter
- Other uses for data

A few key results so far

Air Service Development – Network planners are extremely interested in the trends we present

- Data has helped make the case for new & expanded markets
- Higher sample size than other data sources
- Real time data



Questions?



**Asheville Regional Airport
Executive Summary
October-21**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	85,762	121.4%	587,296	102.5%
Aircraft Operations				
Commercial	2,889	49.9%	22,828	67.2%
Scheduled Flights	1,023	44.7%		
Flight Cancellations	13			
Seats	105,125	67.8%	832,199	63.4%
Load Factor	81.6%	31.9%	70.6%	23.9%
General Aviation	3,566	(3.2%)	37,339	15.6%
Military	404	53.0%	3,393	98.1%

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,840,835	84.7%	\$ 7,061,072	77.1%
Operating Expenses	748,420	(20.0%)	2,730,430	(27.0%)
Net Operating Revenues before Depreciation	<u>\$ 1,092,415</u>		<u>\$ 4,330,642</u>	
Net Non-Operating Revenues	<u>\$ 684,318</u>	124.4%	* <u>\$ 3,799,297</u>	211.4%
<small>includes CARES funding listed below</small>				
Grants:				
FAA AIP Grants	\$ 628,619		\$ 2,016,351	
NC Dept of Transportation Grants	1,417,444		1,417,444	
Total	<u>\$ 2,046,063</u>		<u>\$ 3,433,795</u>	
* CARES Funding	\$ -		\$ 1,764,829	

CASH

Restricted	\$ 12,152,662
Designated for O&M Reserve	5,127,919
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	7,531,585
Total	<u>\$ 25,462,166</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	22,202	7,840	3,342	11,020
Allegiant	20,994	-	20,994	-
American	7,930	-	683	7,247
CRJ Aviation	2,267	-	2,267	-
Delta	184,880	58,082	126,223	575
Elite	280	-	-	280
FAA	17,189	80	16,807	302
Paradies	412	412	-	-
Signature	622	-	160	462
Skywest	2,453	-	2,453	-
Spirit	341	-	-	341
Travelers	6,052	-	-	6,052
TSA	21,336	11,770	1,990	7,576
World Fuel Services	1,758	-	-	1,758
Worldwide	250	-	-	250
Miscellaneous	19,102	270	1,939	16,893
Total	<u>\$ 308,068</u>	<u>\$ 78,454</u>	<u>\$ 176,858</u>	<u>\$ 52,756</u>
% of Total Receivables	<u>20.85%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 14,990,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	-
	<u>\$ 21,000,000</u>	<u>\$ 14,990,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 39,248,685
Year-to-Date Spending	\$ 3,573,428

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
November 12, 2021**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, November 12, 2021 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT IN PERSON: Matthew C. Burrell, Chair; Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; and Britt Lovin

MEMBERS PRESENT VIA TELEPHONE/VIDEO: Susan Russo Klein

MEMBERS ABSENT: Thomas M. Apodaca

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Jared Merrill, Airport Planning Manager; Samuel Sales, Chief of Public Safety; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA VIDEO: Tina Kinsey, Director of Marketing and Public Relations

PRESENT IN PERSON: Brad Sucher, Gresham Smith; David King, Gresham Smith; Amanda Fry, Hensel Phelps; Tanner McLellan, Hensel Phelps

ALSO PRESENT VIA TELEPHONE: Jon McCalmont, Parrish and Partners; James Moose, Avcon; Nick Loder, RS&H; Jeff Kirby, Parrish and Partners; Brock Burns; Jason Sandford, AshVegas

CALL TO ORDER: The Chair called the meeting to order at 8:30 a.m.

PRESENTATIONS:

A. Terminal Expansion Project: The Director stated that Brad Sucher with Gresham Smith would give an update on the terminal expansion project. Mr. Sucher introduced Amanda Fry and Tanner McLellan from Hensel Phelps to the Board. Mr. Sucher provided renderings comparing the current exterior finishes of the terminal building with

the proposed exterior finishes for both curbside and airside. Also shown were images of current and proposed finishes for the ticketing, meeter/greeter, baggage claim, security checkpoint, concession space and holdroom areas. A comprehensive review of the construction schedule was also presented. The Board thanked Mr. Sucher for his presentation.

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of September was provided by the Director. Janet Burnette reported on the financial activity for the month of September.

CONSENT ITEMS: The Chair stated that Consent Item E, Approve the Greater Asheville Regional Airport Authority August 13, 2021 Closed Session Minutes, and Consent Item F, Approve the Greater Asheville Regional Airport Authority October 8, 2021 Closed Session Minutes, would be pulled for review during Closed Session.

A. Approve the Greater Asheville Regional Airport Authority August 13, 2021 Regular Meeting Minutes:

B. Approve the Greater Asheville Regional Airport Authority October 8, 2021 Regular Meeting Minutes:

Mr. Ricker moved to approve Consent Items A and B. Mr. Erwin seconded the motion and it carried unanimously.

C. Approve Amendment to the FY21/22 Budget for Capital Carry-Over Adjustment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Carry-over Capital Expenditures	\$2,908,023	
Totals	<u>\$2,908,023</u>	<u> </u>

This will result in a net decrease of \$2,908,023 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP Funds	\$2,276,161	
Transfer from GARAA Cash	631,862	
Totals	<u>\$2,908,023</u>	

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 12th day of November, 2021.

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

D. Approve Amendment to the FY 21/22 Budget for Salary Adjustment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30,2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administration Dept.	\$95,722	
Executive Dept.		\$10,580
Finance Dept.		5,951
Guest Services Dept.		3,733
Information Tech. Dept.		8,023
Marketing Dept.		4,165
Operations/Maintenance Dept.		29,902
Planning Dept.		5,718
Properties Dept.		2,454
Public Safety Dept.		<u>25,196</u>
	<u>\$95,722</u>	<u>\$95,722</u>

This will result in a net increase of \$0 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	\$ <u>0</u>	\$ <u>0</u>
Totals	\$ <u>0</u>	\$ <u>0</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 12th day of November 2021.

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Erwin moved to approve Consent Items C and D. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-7 for Airline Rates, Fees and Charges for the Asheville Regional Airport:

The Chair opened the floor to public comments at 9:30 a.m. There being no public comments, the Chair closed the floor at 9:31 a.m.

Mr. Lovin moved to adopt the following Amended Ordinance to Implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2021/2022. Mr. Galbraith seconded the motion and it carried unanimously:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AMENDED ORDINANCE NO. 201601-7
AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES
FOR THE ASHEVILLE REGIONAL AIRPORT

IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:

Section 1. CITATION

1.1 This Ordinance may be cited as the "Airline Rates, Fees & Charges Ordinance".

Section 2: FINDINGS

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . ."*

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: *"[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof."*

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: *"[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property."*

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

Section 3. PURPOSE AND SCOPE

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

Section 4. EFFECTIVE DATE

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

Section 5. DEFINITIONS

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just or adequate compensation, trespass,

nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

5.33 "Loading Bridge Fees" are the fees calculated by dividing the total Loading Bridge requirement, which currently includes Operating Expenses, Capital Outlay, Debt Service and Debt Service Coverage, by the total departures.

5.34 "Market Share Exempt Carrier" is any New Airline operating with less than 7% market share of total enplanements per month. The only fees applicable to a Market

Share Exempt Carrier are Landing Fees and Per Turn Fees, unless the New Airline is leasing preferential space which would be included in separate rent. An Airline will cease to qualify as Market Share Exempt Carrier at the time that the Airline meets or exceeds 7% of market share of total enplanements per month for any six (6) of the immediately preceding twelve (12) months. Once Airline is no longer Market Share Exempt, the Airline will be responsible for all Terminal and Airfield related rates, fees and charges.

5.35 "New Airline(s)" shall mean any new airline providing new commercial passenger or cargo service to and from the Airport, using the Airport Terminal Building or cargo building to enplane and deplane passengers or cargo service to and from the Airport.

Section 6. RATE MAKING METHODOLOGY

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

6.4 Terminal Building Operating Requirement.

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

6.4.3. Joint Use Space. Joint Use Space shall be classified as Baggage Make-Up, Baggage Claim and Gate Area. Airline's share of the Terminal Building Rentals for Baggage Make-Up and Baggage Claim Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Checked Bags, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space. Airline's share of the Terminal Building Rentals for Gate Area Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space.

6.4.4 Per Turn Fee for Market Share Exempt Carriers. The Per Turn Fee for Market Share Exempt Carriers is calculated by dividing the Per Turn requirement by the total estimated departures.

6.5 Airfield Area Operating Requirement

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4 [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 [RESERVED]

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the Director.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

Section 7. RENTALS, FEES AND CHARGES

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline’s revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2021-2022 Schedule of Rates, Fees and Charges effective December 1, 2021 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1st) day of each calendar month.

9.2 On or before the fifteenth (15th) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15th) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority's invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15th) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

Section 10. PENALTIES AND ENFORCEMENT

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision_in accordance with Section 10.6 through 10.7 below.

10.6 The Executive Director shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the Executive Director review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the Executive Director shall be in writing and shall be hand delivered to the Office of the Executive Director and must be signed for by and employee of the Authority, or shall be mailed to the Executive Director by certified mail, return receipt requested.

10.8.2 A request to the Executive Director must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the Executive Director to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the Executive Director shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the Executive Director's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. __ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the ___ day of _____, 2021, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY

By: _____
Matthew C. Burrell, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

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Exhibit A

Asheville Regional Airport

2021-2022 Fiscal Year

Schedule of Rates, Fees and Charges

(Proposed)

SUMMARY TABLE

RESULTS (Fiscal Years Ending June 30)	GARAA		
	2020	2021	Budget 2022
Signatory Airline Rates & Charges:			
Terminal Building Rental Rate (per s.f.)	\$53.88	\$60.16	\$48.90
Passenger-Related Security Fee (per EP)	\$0.66	\$0.70	\$0.90
Landing Fee (per 1,000-lbs)	\$1.51	\$1.76	\$1.74
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.41	\$0.34	\$0.41
Baggage Make-Up & Claim Fee (per bag)	\$0.95	\$0.98	\$1.12
Baggage Make-Up & Claim Fee (per airline)	\$11,825	\$13,205	\$13,417
Gate Area Charge per (enplaned pax)	\$1.34	\$1.10	\$0.90
Gate Area Fee (per airline)	\$30,208	\$33,732	\$34,274
Loading Bridge Fee (per depart.)	\$9.20	\$9.78	\$9.80
Exit Lane Fee (per EP)			\$0.07
Turn Fees ¹			
Per Turn Fee for Exempt Carriers (0-70 seats)	\$279.00	\$322.00	\$277.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$333.00	\$361.00	\$330.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$373.00	\$387.00	\$369.00
Average AVL CPE	\$5.64	\$5.12	\$6.09

¹ Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives, and ticket counter

FY21 rates calculated based on increased enplanements, but due to pandemic and expectation of reduced enplanements, decision was made to use FY20 rates for FY21

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

			Budget
	2020	2021	2022
<u>Enplaned Passengers:</u>			
Allegiant	240,000	420,000	300,000
American ¹	150,000	187,000	125,000
Delta	137,000	158,000	105,000
Spirit	48,000	21,000	0
United	65,000	80,000	65,000
Total	640,000	866,000	595,000
<u>Estimated Checked Bags:</u>			
Allegiant	98,600	130,550	111,000
American ¹	81,300	81,812	46,250
Delta	113,900	110,652	69,300
Spirit	20,940	6,300	0
United	36,300	50,805	44,200
Total	351,040	380,119	270,750
<u>Departures:</u>			
Allegiant	1,605	2,677	2,167
American ¹	2,757	3,414	2,589
Delta	2,298	2,577	1,901
Spirit	453	125	0
United	1,287	1,429	1,704
Total	8,400	10,222	8,361
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	229,200	380,317	308,227
American ¹	175,627	222,724	174,329
Delta	152,236	178,253	136,739
Spirit	66,000	18,258	0
United	77,924	88,301	80,871
Total	700,987	887,853	700,166

Note: Amounts may not add due to rounding.

Table 2**TERMINAL SPACE (s.f.)**

(Fiscal Years Ending June 30)

	Budget		
	2020	2021	2022
<u>Preferential Space:</u> ¹			
Allegiant	1,331	1,331	1,526
American	2,297	2,297	2,297
Delta	2,609	2,609	2,609
Spirit	905	905	0
United	1,593	1,593	1,593
Worldwide	161	161	161
Total Preferential Space	8,896	8,896	8,186
<u>Joint Use Space:</u>			
Baggage Make-Up	3,192	3,192	3,192
Baggage Claim	4,124	4,124	4,124
Gates 1-3 Holdroom	8,517	8,517	8,517
Gates 4-7 Holdroom	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	3,421	3,421	3,421
Total Joint Use Space	26,005	26,005	26,005
Total Airline Rented	34,901	34,901	34,191
<u>Other Rentable:</u>			
Ticket Counter (unassigned)	285	285	285
Queue (unassigned)	456	456	540
Vacant Airline Preferential Space	1,210	1,210	1,836
Concession Space	13,775	13,775	13,775
FAA Tower & Related Office Space	4,374	4,374	4,374
TSA Offices & Breakroom	1,933	1,933	1,933
TSA Passenger Security Screening	4,891	4,891	4,891
TSA Offices Adjacent to Passenger Screening	396	396	396
Total	27,320	27,320	28,030
Total Rentable Space	62,221	62,221	62,221
Public and Other Areas	45,628	45,628	45,628
Total Terminal Space	107,849	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Depreciation:</u> ¹				
Gross Depreciation		\$4,700,000	\$4,700,000	\$4,700,000
Less: Grant & PFC Amortization		(3,200,000)	(3,200,000)	(3,200,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,500,000
 <u>By Cost Center (%):</u>				
Airfield Area	[B]	14.0%	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.0%	7.0%	7.0%
Total		100.0%	100.0%	100.0%
 <u>By Cost Center:</u>				
Airfield Area	[A*B]	\$210,000	\$210,000	\$210,000
Terminal Building	[A*C]	450,000	450,000	450,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000	495,000
General Aviation Area	[A*E]	240,000	240,000	240,000
Other Area	[A*F]	105,000	105,000	105,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,500,000
 <u>Amortization:</u>				
Gross Amortization		\$242,056	\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581	\$79,581

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$79,581	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$79,581	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 4**OPERATION AND MAINTENANCE EXPENSES**

(Fiscal Years Ending June 30)

GARAA

		Budget	Budget	Budget
		2020	2021	2022
<u>By Category:</u>				
Personnel Services		\$6,527,568	\$7,863,075	\$6,915,740
Professional Services		384,950	489,670	\$280,450
Utilities		539,867	545,117	\$479,567
Promotional Activities		303,800	353,025	\$237,325
Maintenance and Repairs		255,200	322,200	\$243,800
Contracted Services		978,646	1,838,377	\$870,295
Insurance Expense		260,600	330,725	\$334,400
Materials and Supplies		464,610	495,253	\$378,450
Other Expenses		506,740	574,848	\$349,010
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>	<u>\$10,089,037</u>
<u>By Cost Center (%):</u>				
Airfield Area	[B]	26.3%	25.6%	26.4%
Terminal Building	[C]	47.8%	46.0%	48.1%
Parking, Roadway, and Ground Trans.	[D]	12.2%	15.0%	11.5%
General Aviation Area	[E]	9.8%	9.5%	9.9%
Other Area	[F]	4.0%	3.8%	4.1%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$2,684,342	\$3,284,722	\$2,665,092
Terminal Building	[A*C]	4,883,676	5,888,847	4,854,633
Parking, Roadway, and Ground Trans.	[A*D]	1,245,820	1,927,664	1,160,524
General Aviation Area	[A*E]	997,713	1,221,329	995,484
Other Area	[A*F]	410,430	489,728	413,304
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>	<u>\$10,089,037</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Airfield Requirement:</u>				
O&M Expenses		\$2,684,342	\$3,284,722	\$2,665,092
Less: Deicing Chemicals		(72,141)	(74,305)	(76,535)
O&M Reserve Requirement		159,135	300,190	(278,773)
Net Depreciation		210,000	210,000	210,000
Net Amortization		79,581	79,581	79,581
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$3,110,917	\$3,850,187	\$2,649,366
<u>Landing Fee Credits:</u>				
Non-Airline Revenue	[B]	\$90,000	\$70,000	\$102,307
Other	[C]	0	0	0
Total Credits	[D=B+C]	\$90,000	\$70,000	\$102,307
Net Landing Fee Requirement	[E=A-D]	\$3,020,917	\$3,780,187	\$2,547,059
Airline Landed Weight	[F]	700,987	887,853	700,166
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$4.31	\$4.26	\$3.64
Revenue Share Credit	[H]	\$1,961,407	\$2,221,753	\$1,327,560
Adjusted Airline Net Requirement	[I=E-H]	\$1,059,511	\$1,558,434	\$1,219,499
Airline Landing Fee	[J=I/F]	\$1.51	\$1.76	\$1.74
Airline Landing Fee Revenue	[K=F*J]	\$1,059,511	\$1,558,434	\$1,219,499

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6**TERMINAL RENTAL RATE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Terminal Requirement:</u>				
O&M Expenses		\$4,883,676	\$5,888,847	\$4,854,633
O&M Reserve Requirement		284,853	502,586	(462,618)
Net Depreciation		450,000	450,000	450,000
Net Amortization		0	0	0
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$5,668,529	\$6,891,433	\$4,892,015
<u>Terminal Credits:</u>				
Passenger-Related Security Charges		\$421,080	\$603,922	\$533,724
AirIT Landside Expenses		16,463	16,463	16,463
Loading Bridge Fees		77,250	100,000	81,955
Total Terminal Credits	[B]	\$514,793	\$720,385	\$632,141
Net Requirement	[C=A-B]	\$5,153,736	\$6,171,048	\$4,259,873
Rentable Space (s.f.)	[D]	62,221	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$82.83	\$99.18	\$68.46
Airline Rented Space (s.f.)	[F]	34,901	34,901	34,191
Airline Requirement	[G=E*F]	\$2,890,833	\$3,461,464	\$2,340,839
Revenue Share Credit	[H]	\$1,010,422	\$1,361,719	\$668,771
Adjusted Airline Requirement	[I=G-H]	\$1,880,411	\$2,099,745	\$1,672,068
Airline Rented Space (s.f.)	[F]	34,901	34,901	34,191
Adjusted Airline Terminal Rate	[J=I/F]	\$53.88	\$60.16	\$48.90
Airline Terminal Rentals	[K=F*J]	\$1,880,411	\$2,099,745	\$1,672,068

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6A**LOADING BRIDGE FEE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Loading Bridge Requirement:</u>				
Operating Expenses		\$77,250	\$100,000	\$81,955
Capital Outlay		0	0	0
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$77,250	\$100,000	\$81,955
Total Departures	[B]	8,400	10,222	8,361
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.20	\$9.78	\$9.80
Total Loading Bridge Revenue	[D=B*C]	\$77,250	\$100,000	\$81,955

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16	\$48.90
<u>Joint Use Space (s.f.):</u>				
Baggage Make-Up	[B1]	3,192	3,192	3,192
Baggage Claim	[B2]	4,124	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421	3,421
Joint Use Space		26,005	26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$394,175	\$440,152	\$357,780
Gate Areas Requirement	[E=A*(C1+C2+C3)]	1,006,934	1,124,384	913,962
Total Joint Use Requirement	[G=D+E+F]	\$1,401,109	\$1,564,536	\$1,271,742
<u>Baggage Make-Up & Claim:</u>				
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$335,048	\$374,129	\$304,113
Checked Bags	[I]	351,040	380,119	270,750
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$0.95	\$0.98	\$1.12
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$59,126	\$66,023	\$53,667
Number of Airlines	[L]	5	5	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$11,825	\$13,205	\$13,417
<u>Gate Area:</u>				
Gate Area Requirement (85%)	[N=E*85%]	\$855,894	\$955,726	\$776,868
Enplaned Passengers	[O]	640,000	866,000	866,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.34	\$1.10	\$0.90
Gate Area Requirement (15%)	[Q=E*15%]	\$151,040	\$168,658	\$137,094
Number of Airlines	[L]	5	5	4
Gate Area Fee (per airline)	[R=Q/L]	\$30,208	\$33,732	\$34,274
Total Joint Use Revenue	[G]	\$1,401,109	\$1,564,536	\$1,271,742

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6C**TICKET COUNTER & QUEUE FEES (UNASSIGNED)**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16	\$48.90
<u>Ticket Counter and Queue Space (s.f.):</u>				
Ticket Counter		1,731	1,731	1,731
Queue Space		2,865	2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$247,625	\$276,509	\$224,762
AirIT Landside Expenses	[D]	16,463	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$264,088	\$292,972	\$241,225
Enplaned Passengers	[F]	640,000	866,000	595,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.41	\$0.34	\$0.41
Enplaned Passenger Use	[H]	240,000	0	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$99,033	\$0	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Personnel-Related Security Cost	[A]	\$1,593,131	\$1,700,149	\$1,639,833
<u>Officer Deployment Hours:</u>				
Total Hours (18 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,172	2,174	2,174
Holiday (11 Holidays)		(176)	(198)	(198)
Vacation (12 Days)		(192)	(216)	(216)
Training (8 hrs per month per officer)		(128)	(144)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(144)	(162)	(162)
Available Hours/Officer	[B]	1,532	1,454	1,454
Number of Officers	[C]	18	20	20
Total Available Hours	[D=B*C]	27,584	29,072	29,072
Less: Admin Hours Total	[E]	(2,592)	(2,880)	(2,880)
Total Officer Deployment Hours	[F=D-E]	24,992	26,192	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$63.75	\$64.91	\$62.61
<u>Passenger-Related Security Charge:</u>				
Terminal Airlines (18 hrs/day Security Checkpoint)		\$418,809	\$426,465	\$411,336
Less: TSA Reimbursement		(116,800)	(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$302,009	\$309,665	\$294,536
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	4,891	4,891
Terminal Rental Rate	[J]	\$53.88	\$60.16	\$48.90
Security Checkpoint Space Costs	[K=I*J]	\$119,071	\$294,257	\$239,188
Passenger-Related Security Charges	[L=H+K]	\$421,080	\$603,922	\$533,724
Enplaned Passengers	[M]	640,000	866,000	595,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.66	\$0.70	\$0.90
Passenger-Related Security Charges	[O=M*N]	\$421,080	\$603,922	\$533,724

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Airline Revenue:</u>				
Terminal Rentals		\$1,880,411	\$2,099,745	\$1,672,068
Loading Bridge Fees		77,250	100,000	81,955
Landing Fees		1,059,511	1,558,434	1,219,499
Unassigned Ticket Counter Charges		99,033	0	0
Passenger Related Security Charges		421,080	603,922	533,724
Exit Lane Fee		0	0	38,000
Deicing Chemicals		72,141	74,305	76,535
Total	[A]	\$3,609,427	\$4,436,406	\$3,621,779
Enplaned Passengers	[B]	640,000	866,000	595,000
Cost Per Enplaned Passenger	[C=A/B]	\$5.64	\$5.12	\$6.09

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 9**PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Per Turn Requirement:</u>				
Joint Use Cost ¹		\$1,401,109	\$1,564,536	\$1,271,742
Loading Bridge Cost		77,250	100,000	81,955
Unassigned Ticket Counter Cost		264,088	292,972	241,225
Passenger Related Security Charge Cost		421,080	603,922	533,724
Deicing Chemicals Cost		72,141	74,305	76,535
Total	[A]	\$2,235,669	\$2,635,735	\$2,205,179
Total Departures	[B]	8,400	10,222	8,361
Average Per Turn Cost	[C=A/B]	\$266.15	\$257.85	\$263.75
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$279.00	\$322.00	\$277.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$333.00	\$361.00	\$330.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$373.00	\$387.00	\$369.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

NEW BUSINESS:

A. Approve the Greater Asheville Regional Airport Authority Board Schedule for 2022: The Director stated that the proposed Authority Board Schedule for 2022 was included in the agenda package for the Board's review, and requested approval if the Board was in agreement with the schedule.

Mr. Erwin moved to approve the Greater Asheville Regional Airport Authority Board 2022 Schedule as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

B. Authorization to Establish Conservation Easements on Broadmoor Golf Course and Submit Letter of Intent to Conserving Carolina: Christina Madsen informed the Board that Conserving Carolina would like to establish conservation easements along property bordering the French Broad River and Cane Creek at the Broadmoor Golf Course. Conserving Carolina would seek grant funds to either purchase an easement from the Authority or use the funds to make improvements along the easement area to preserve, restore and stabilize the river and creek. Mrs. Madsen stated that Conserving Carolina was requesting a Letter of Intent from the Authority supporting the grant applications as well as an intent to enter a conservation easement upon successful negotiation between the parties. The Authority would either receive an increase in revenues for the amount of the easement once determined or contribute the easement value to the improvements on the property.

Mr. Erwin moved to provide a Letter of Intent to Conserving Carolina to proceed with grant application submittals and authorize the Executive Director to execute all of the necessary documents. Mr. Galbraith seconded the motion and it carried unanimously.

C. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2023-2027: Michael Reisman reported that a five-year CIP must be submitted each year to the FAA. The CIP includes continuation of the terminal building modernization project, the air traffic control tower project, various pavement rehabilitation projects and ARFF equipment replacement. Mr. Reisman stated that adoption of the CIP does not approve any contracts nor provide staff with authorization to award design or construction projects. Mr. Reisman noted that what has changed from the prior year CIP is that the phasing for the terminal building modernization project was broken out over several years. As progress has been made on the design of the project, staff now has a solid understanding of the phasing and what the schedule will look like and Mr. Reisman proceeded to review the updated timeline and funding schedule for the project. Mr. Reisman remarked that while staff was aware of the issues with parking capacity at times, staff did not feel that fiscally it was time to start

design on construction of a second parking garage. However, as the construction on the terminal modernization project comes to a completion, staff will be prepared to roll right into design and construction of a parking garage.

The Director informed the Board that the current allotment of state funding included on the CIP rolls off in 2026 and at that point it goes from capital to helping fund debt service on the terminal bonds. The Director explained that the same is true for PFCs and they were not shown on the CIP after 2023, as they will be used for debt service on the terminal project. The Director also mentioned that the other options for funding shown on the CIP are bonds or TIFIA loans for the terminal project, but could also include a private public partnership for construction of a second parking garage, but this would need to be explored further.

Mr. Lovin questioned if construction of a second parking garage would be moved up on the CIP should the necessity for additional parking become more pressing. Mr. Reisman responded that this was correct, and a brief discussion took place that included current parking capacity, the possibility of a public private partnership as well as advances in technology with regard to transportation. The Board suggested that staff keep this on the radar and that if construction of a second parking garage could be escalated, it should be considered.

Mr. Lovin moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan. Mr. Erwin seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director stated that he had a couple of items to address that were not included on the agenda.

A. Commissioned Art for Terminal Expansion Project: Tina Kinsey gave a brief presentation on installation of a significant art program in the new terminal building. Mrs. Kinsey shared examples of other airport art programs as well as information about a request for proposal ("RFP") process. It was agreed that it was very important that the local art community should be involved, but staff should use an RFP process. A suggestion was made to consider sponsorship by local businesses to help fund an art program.

B. Zachery Construction Change Order No. 7: The Director reported that there were a variety of deductions and additions for the south apron project. The Director reviewed the deductions that totaled \$75,000 as well as additions amounting to \$94,000

that resulted in an additional \$19,000 to the project costs. These expenditures were executed by the Executive Director under his spending authority.

C. Status of TIFIA Loan and Terminal Project Funding: The Director stated that staff had intended to fund the terminal project two thirds with public bond funding and one third with a TIFIA loan through the Department of Transportation. Staff recently learned that the project does not qualify for TIFIA funding. However, with the new infrastructure bill that was recently passed, a condition was included that if a project is eligible for PFC funding, it will now be eligible for TIFIA funding. Staff will continue to explore this option, but in the meantime, will continue working with the bond consultant. Staff will also inquire if early callbacks will be allowed on the bonds and if the terminal project qualifies for TIFIA funding, staff will look at refunding a third of the bonds and pay them back with TIFIA funding.

D. Property Exchange: Staff has been working with the owner of the Electrolux property on a property swap. The owner of the Electrolux property has purchased a one-acre parcel across NC280 in front of the Wingate Hotel that will be exchanged for three acres of Authority-owned land adjacent to the Electrolux building. The value of the one-acre parcel is over \$1 million and the value of the three acres of Authority-owned land is \$500,000. The FAA has advised that the exchange does not need to go into a federal register for public comment. A deed correction is being worked on with an attorney and once that has been completed, the property will be exchanged.

E. ACI Annual Conference: The Director reported on his attendance at the ACI Annual Conference and gave a brief update on the infrastructure bill which will fund airports with \$25 billion for projects over the next five years. The Director met with FAA officials while at the conference and will be meeting with the FAA to further discuss funding from this bill.

F. Airport Staffing: Airports across the country are experiencing staffing shortages and are working on salary surveys and compensation packages. The Director noted another issue which is creating a problem for airports and that is the COVID vaccination mandate for federal contractors. The airport does receive rent in the form of leases with the TSA and FAA. Approximately 50% of the Authority staff has been vaccinated. The deadline for the vaccination is currently January 4th, and staff will continue to monitor the situation to see what the federal government does with this mandate.

G. Parking Operations: The parking operation went to a cashless system over a year ago and there have been a number of people who claim they do not have a credit card when trying to exit the parking lot. Recovery rate on collecting these funds has not been as good as staff would like to see, but staff believes there have been repeat

offenders. A Ready Credit machine will be installed in the terminal that will convert cash to a credit card. People who claim they do not have a credit card to pay for their parking will be referred to the machine. Staff has also been working with Ms. Rice on updating some policies that may help staff with a higher rate of collection, and that will be brought to the Board in the near future.

H. Aviation Industry Conference Schedule: A schedule of industry conferences was available at the Board Member seats. Mr. Galbraith has expressed interest in attending the Airport Board and Commissioners Conference in April. The Board should identify any conferences they would like to attend at a future Board Meeting.

I. Runway 5k Recap: Tina Kinsey gave a quick recap of the runway 5k which marked the airport's 60th anniversary. With over 1,000 racers that participated, proceeds will be presented to the WNC Pilots Association Education Foundation and AB Tech's Aviation Scholarship Fund.

J. Broadmoor Golf Course Update: The Director stated that the golf course had been leased to DreamCatcher Broadmoor, LLC. on August 14th. DreamCatcher continues going through their due diligence on financing for the hotel and convention center. The Authority netted just over \$400,000 for the one year it managed the golf course. Staff anticipates long-term returns from the hotel and conference center.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on December 10, 2021.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:44 a.m. Mr. Lovin moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel Regarding, Among Other Things, that Buncombe County Lawsuit Entitled Christopher McFalls vs. the Greater Asheville Regional Airport Authority; to Preserve the Attorney-Client Privilege; and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Erwin seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 11:45 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY NOVEMBER 12, 2021

CLOSED SESSION MINUTES: Mr. Lovin moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried unanimously.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 13, 2021 CLOSED SESSION MINUTES AND THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 8, 2021 CLOSED SESSION

MINUTES: Mr. Lovin moved to approve the minutes for the Greater Asheville Regional Airport Authority August 13, 2021 Closed Session and the Greater Asheville Regional Airport Authority October 8, 2021 Closed Session and to seal and withhold the minutes for the August 13, 2021 Closed Session and the October 8, 2021 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Galbraith seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Erwin moved to adjourn the meeting at 11:47 a.m. Mr. Galbraith seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burril
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: December 10, 2021

ITEM DESCRIPTION – New Business Item A

Presentation of the Annual Audited Financial Report for Fiscal Year 2020/2021

BACKGROUND

The annual audit for the fiscal year ended June 30, 2021 was performed by the auditing firm, Martin Starnes & Associates, CPAs, P.A., and the findings are hereby submitted for the Board's review and acceptance. The audited financial statements being provided to you have been submitted to the Local Government Commission ("LGC").

ISSUES

None. An unmodified opinion was issued by the auditors.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to accept the 2020/2021 Audit Report as presented.

New Business - Item A

MARTIN · STARNES

& ASSOCIATES, CPAs, P.A.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY
2021 AUDITED FINANCIAL STATEMENTS**

MARTIN · STARNES

& ASSOCIATES, CPAs, P.A.

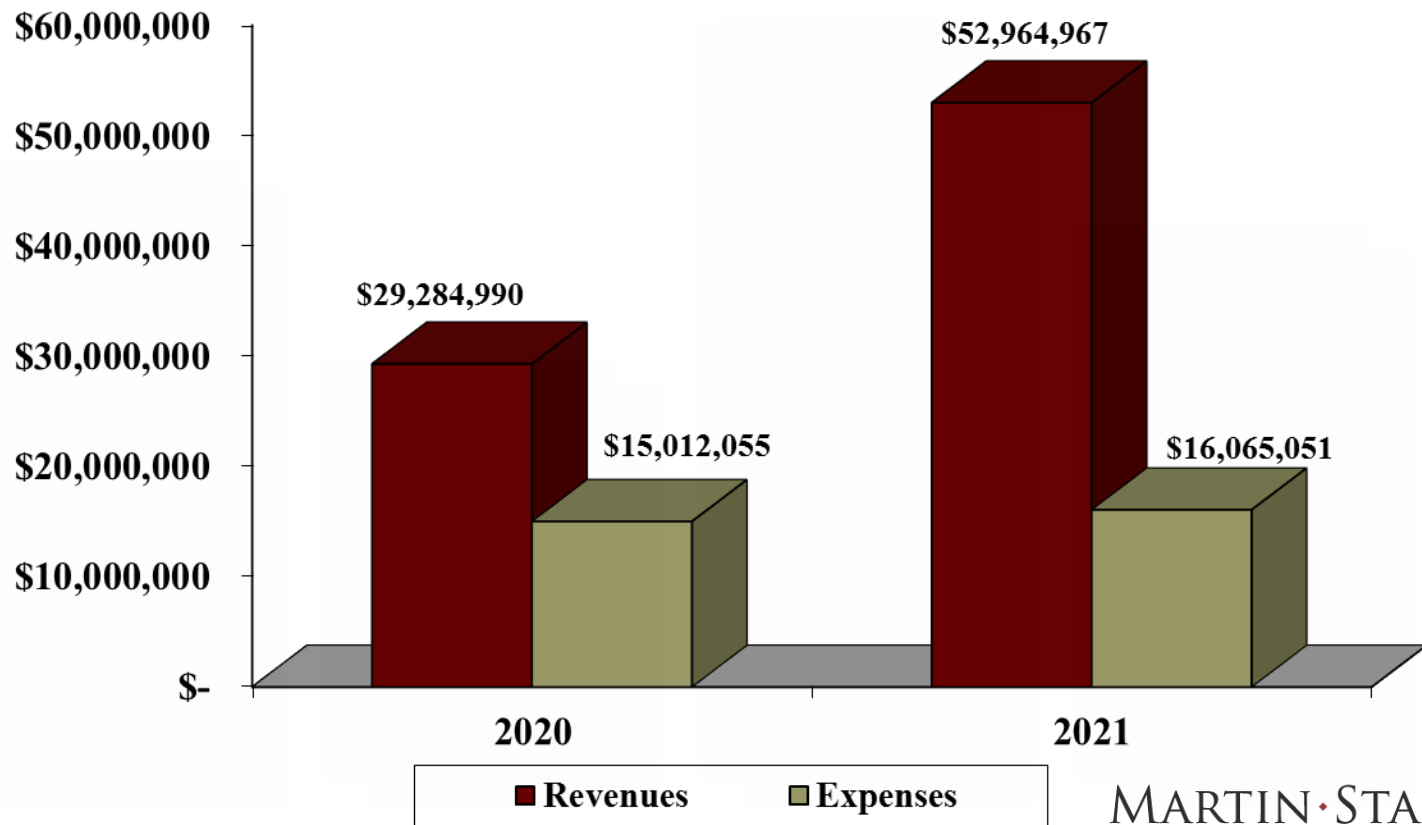


Audit Highlights

- Unmodified opinion

- Cooperative staff

Business-Type Activities Summary



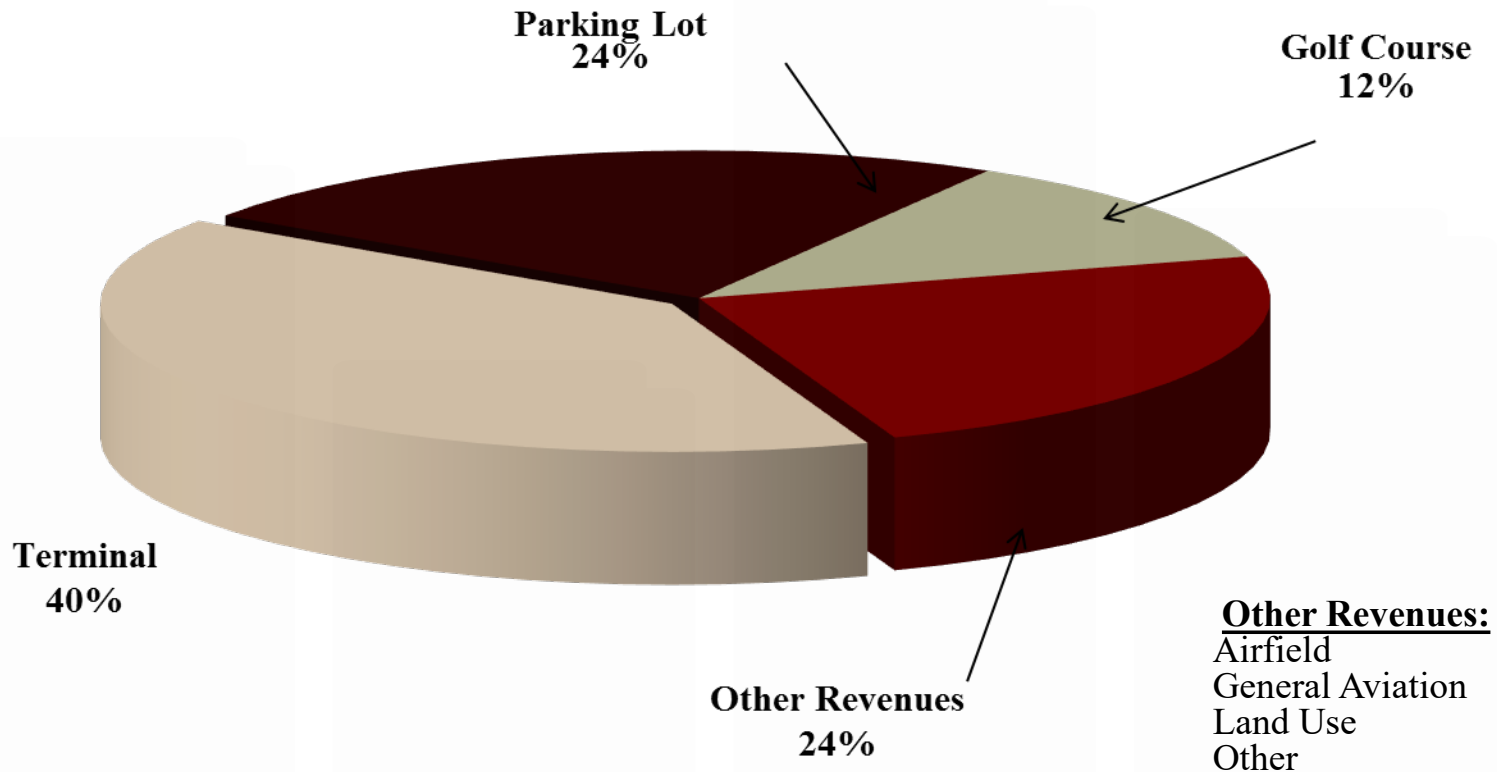
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& ASSOCIATES, CPAs, P.A.

Unrestricted Net Position

Business-Type Activities

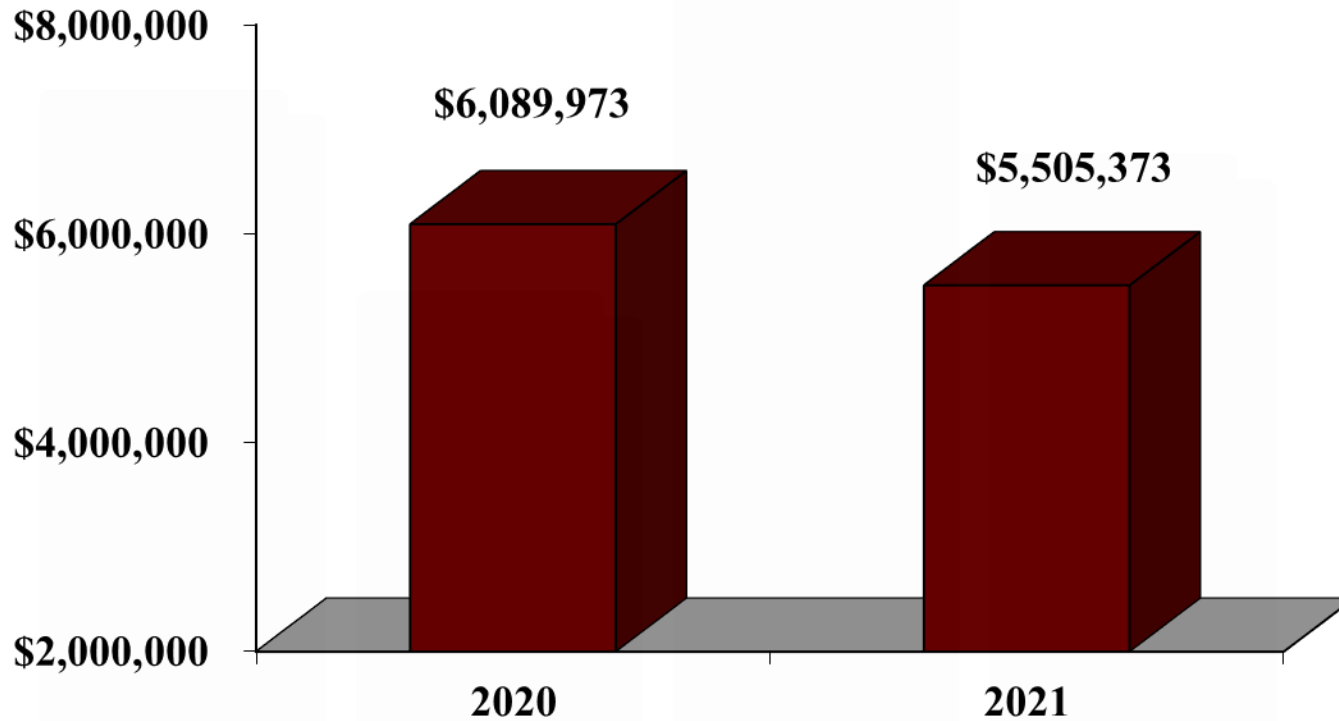
□ Total Net Position	\$ 205,981,563
□ Net Investment in Capital Assets	(187,190,176)
□ Restricted Net Position	<u>(10,289,525)</u>
□ Unrestricted Net Position	\$ 8,501,862
□ Unrestricted Net Position 2020	\$ 9,084,380
□ Decrease in Unrestricted Net Position	\$ (582,518)

Revenues

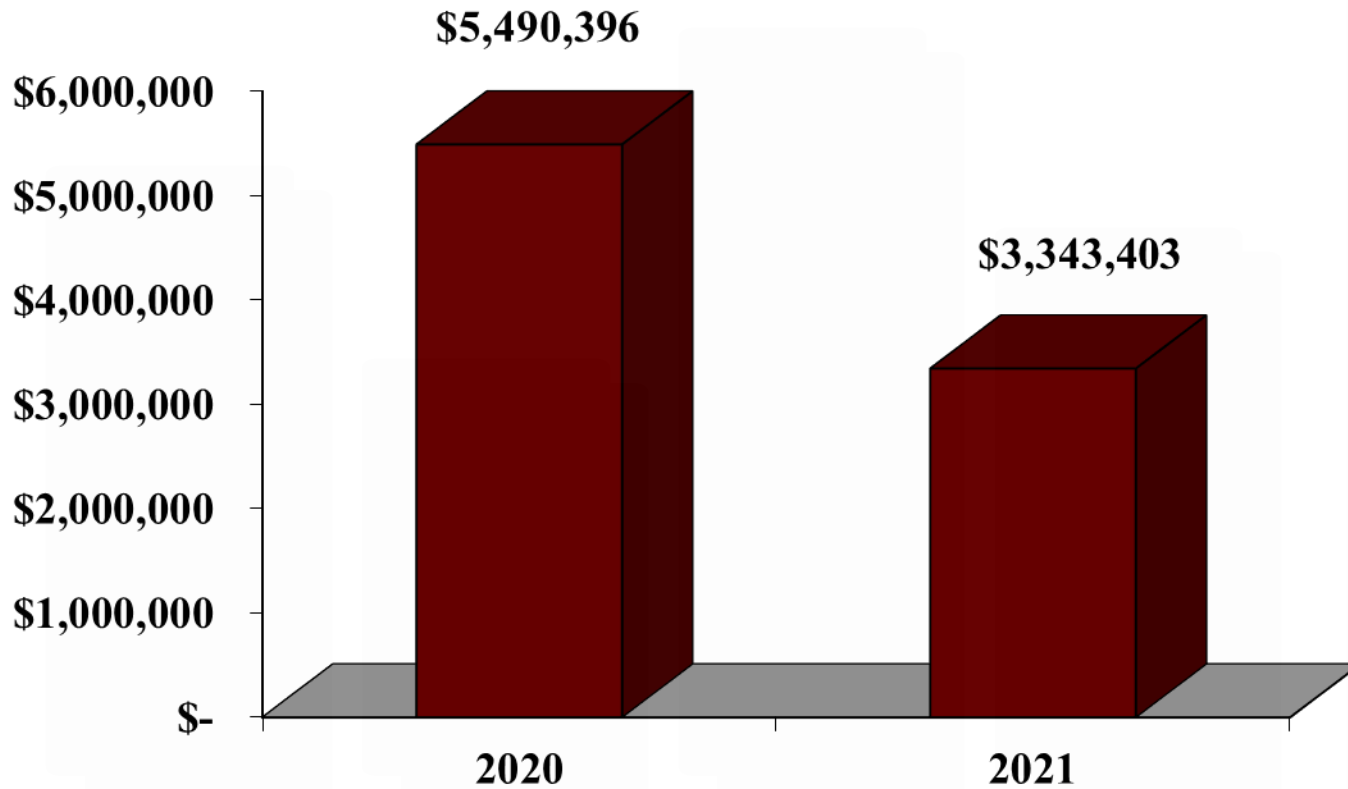


Total Revenues \$13,895,827

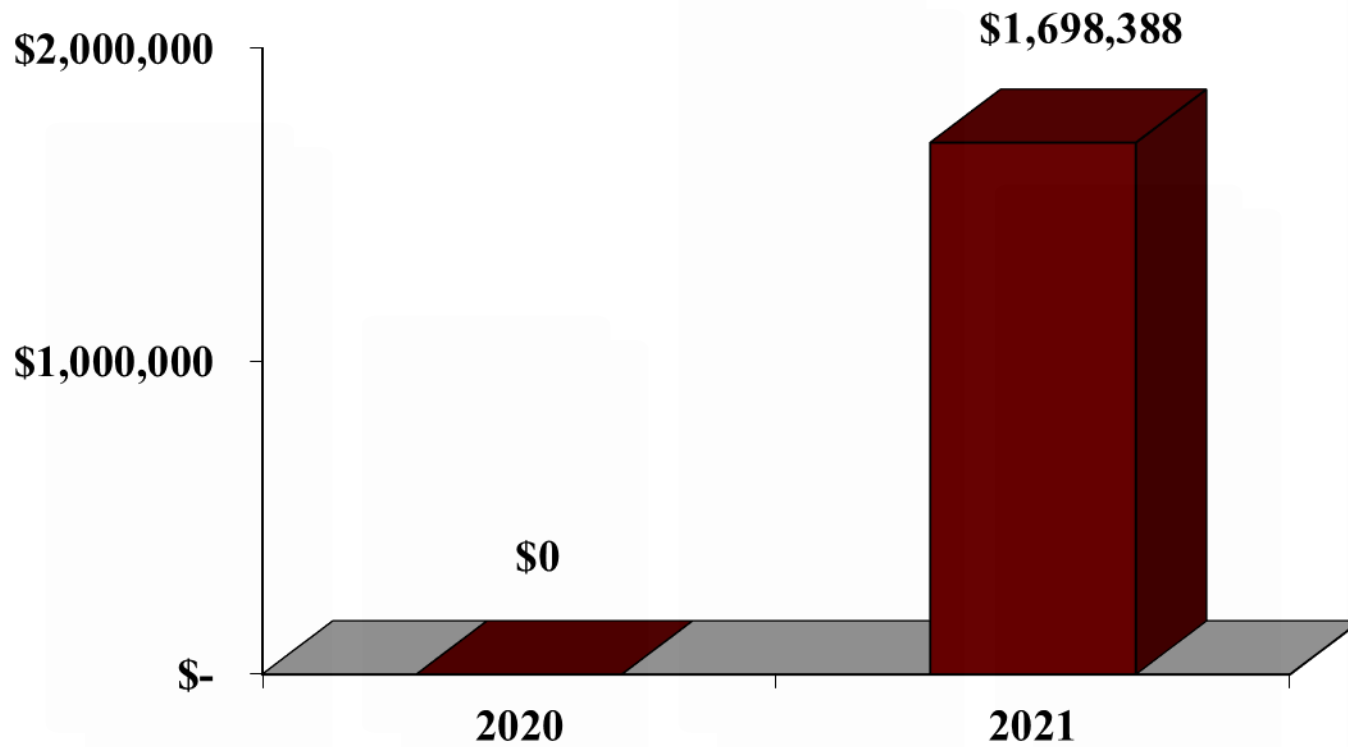
Terminal



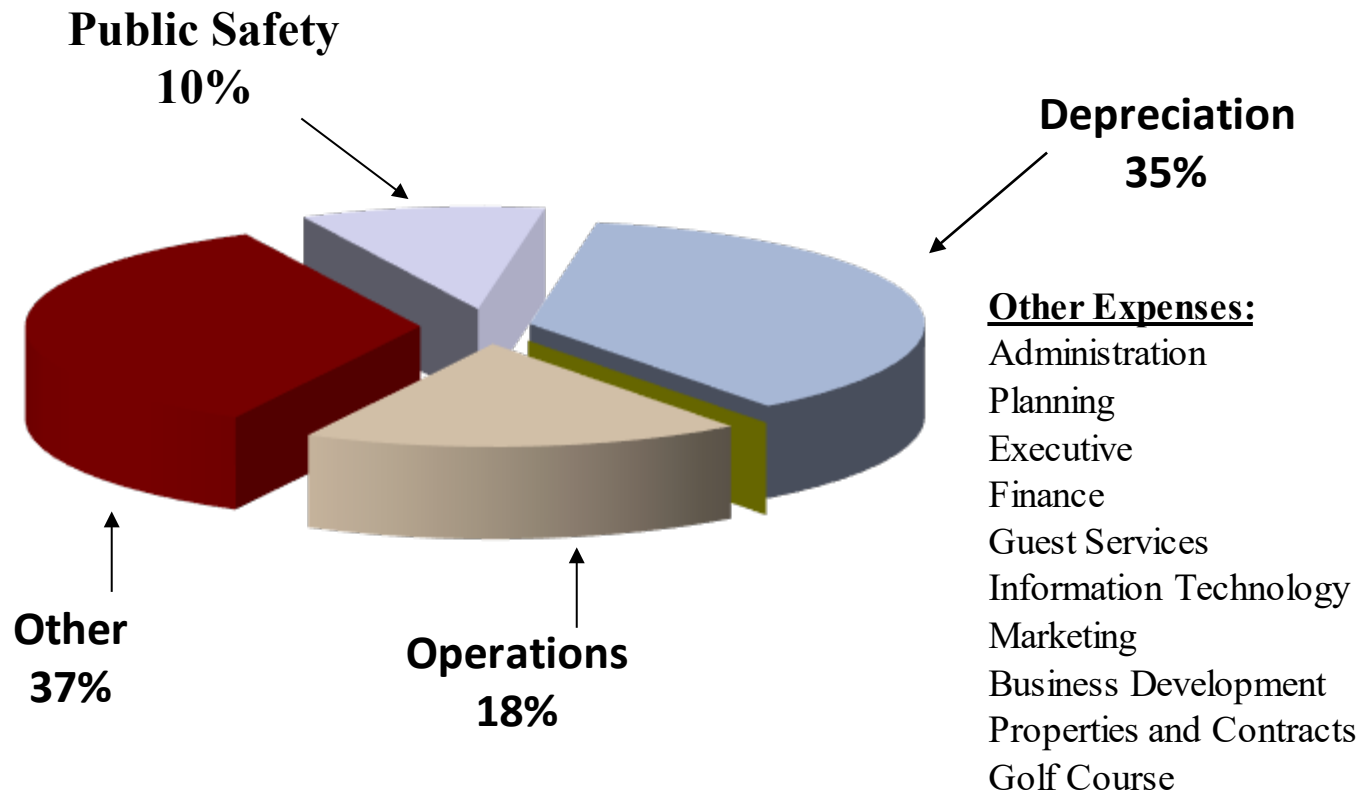
Parking Lot



Golf Course



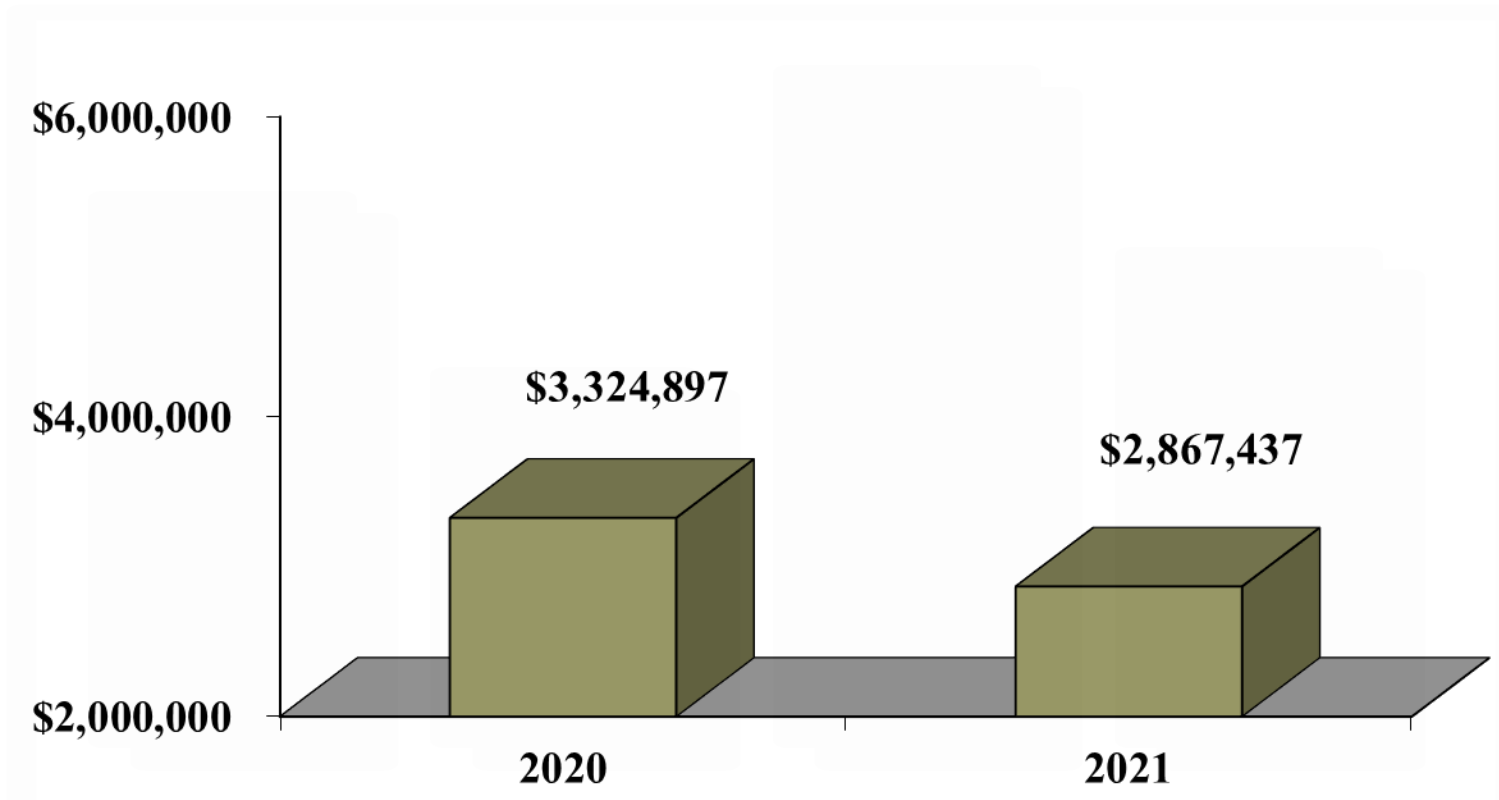
Expenses



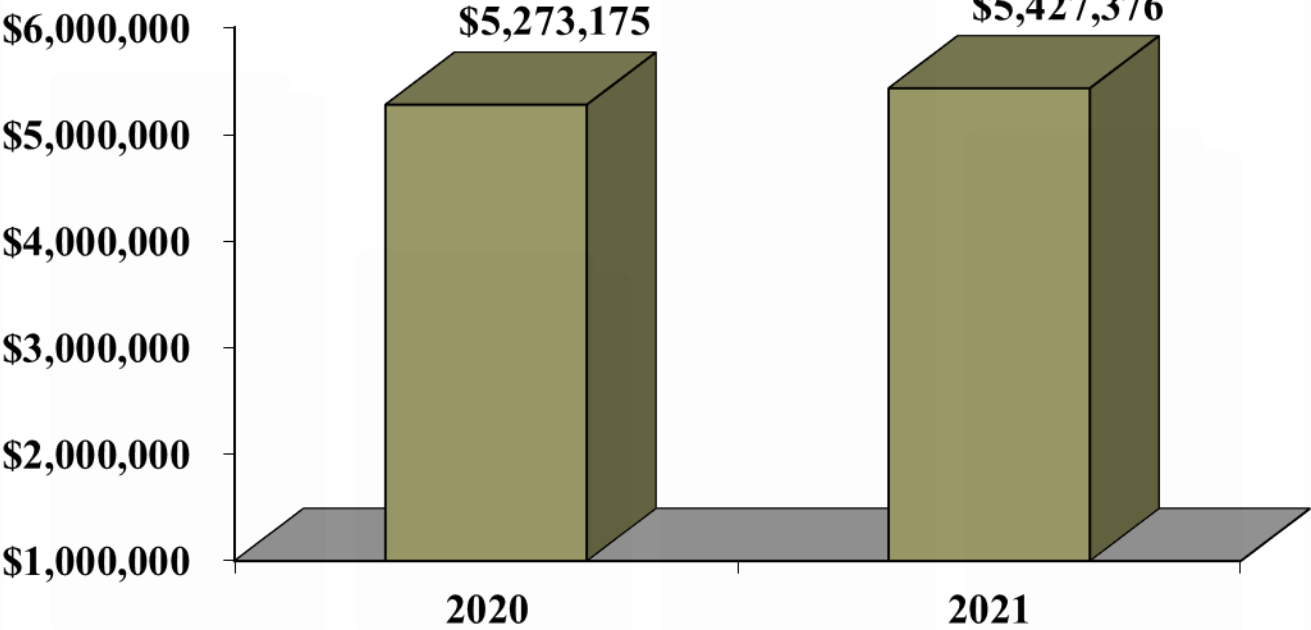
Expenses Total \$15,674,253

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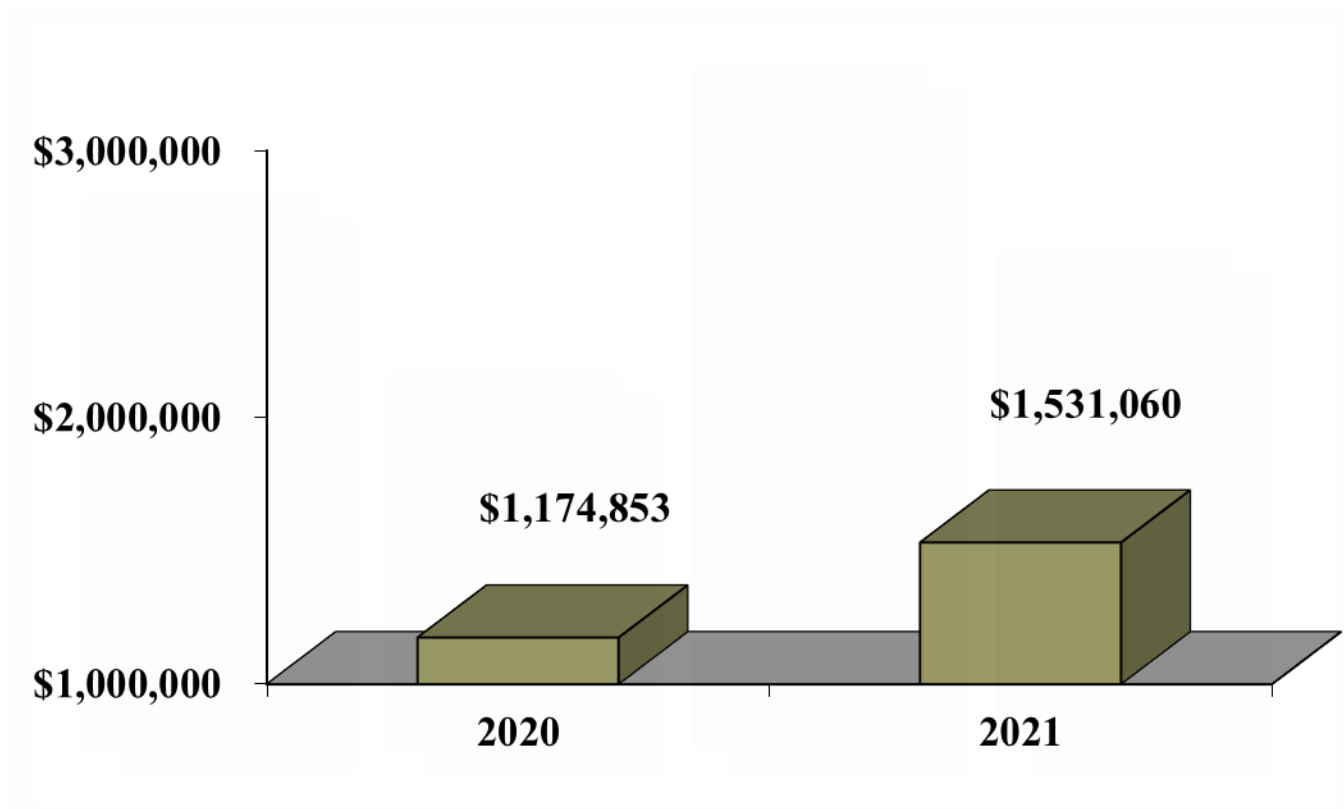
Operations



Depreciation



Public Safety



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Quick Ratio

	<u>2020</u>	<u>2021</u>
Current Assets	\$16,773,027	\$17,077,648
Current Liabilities	<u>\$10,176,680</u>	<u>\$8,467,952</u>
Quick Ratio	1.65	2.02



General Performance Indicators

- No “red flags”
- Timely audit submission



Discussion & Questions

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**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

Matthew Burrell, Chair
Brad Galbraith, Vice-Chair

George Erwin, Jr.
Carl H. Ricker, Jr.
Thomas Apodaca
Susan Russo Klein
Britt Lovin
Cindy Rice, Attorney

Executive Director

Lew S. Bleiweis, A.A.E.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

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MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

“A Professional Association of Certified Public Accountants and Management Consultants”

Independent Auditor’s Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Greater Asheville Regional Airport Authority (the “Authority”), as of and for the year ended June 30, 2021 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Asheville Regional Airport Authority as of June 30, 2021 and the respective changes in financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Greater Asheville Regional Airport Authority as of June 30, 2020 were audited by other auditors whose report dated November 20, 2020, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions, the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary schedules, the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and the Schedule of Passenger Facility Charges Collected and Expended and Interest Collected as specified in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the "Guide"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules, the Schedule of Expenditures of Federal and State Awards, and the Schedule of Passenger Facility Charges Collected and Expended and Interest Collected 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 budgetary schedules the Schedule of Expenditures of Federal and State Awards, and the Schedule of Passenger Facility Charges Collected and Expended and Interest Collected are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 28, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the Greater Asheville Regional Airport Authority's activities and financial performance provides the reader with an overview to the financial statements of the Greater Asheville Regional Airport Authority for the fiscal year ended June 30, 2021. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

THE REPORTING ENTITY

The Asheville Regional Airport Authority was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (the "County") and the City of Asheville (the "City"). It was organized for, and has as its sole purpose, the management, operation, and maintenance of the Asheville Regional Airport (the "Airport"). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 which changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the "Authority"). Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

The Authority operates as an Enterprise Fund and is governed by seven members: two registered voters of the County, appointed by the Board of Commissioners of Buncombe County; two registered voters of the City, appointed by the Asheville City Council; two registered voters of the County of Henderson, appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority. Members of the Authority serve four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment.

The Authority employs a managing director (the "Executive Director"), who is the chief administrator and executive officer of the Authority. The Executive Director manages the Airport under the Authority's control with a staff of 72 full-time employees. The staff is responsible for the day-to-day financial, administration, and operational matters pertaining to the Airport and for the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a small hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 105th largest airport in the United States based on the number of passenger boardings during calendar year 2020.¹

As of June 30, 2021, Asheville Regional Airport had non-stop commercial flights to twenty-one cities (Atlanta, Austin, Baltimore, Boston, Charlotte, Chicago, Dallas/Ft. Worth, Denver, Destin, Fort Lauderdale, Houston, LaGuardia, Las Vegas, Newark, Orlando/Sanford, Philadelphia, Punta Gorda, Sarasota, St. Petersburg/Clearwater, Washington D.C. and West Palm Beach. The commercial airline carriers included Allegiant Air, American Airlines, Delta Air Lines and United Airlines.

The mission of the Greater Asheville Regional Airport Authority is to provide an exceptional airport experience with a focus on people, service, commercial and general aviation, and to contribute to the regional economy.

¹ Federal Aviation Administration, passenger boardings calendar year 2020

AIRPORT ACTIVITIES AND HIGHLIGHTS

<u>For Year Ended June 30</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Enplanements	<u>456,187</u>	<u>619,599</u>	<u>681,607</u>

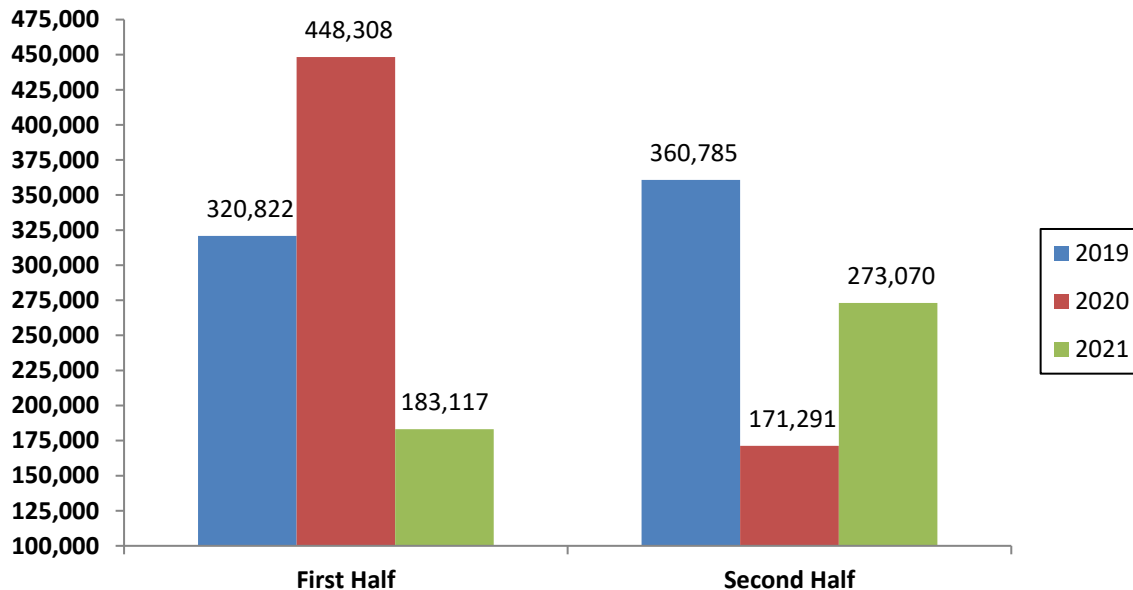
Revenues per enplanement:

Airlines	\$ 6.09	\$ 5.43	\$ 5.17
Rental cars	6.54	4.58	4.50
Parking facility	6.98	8.44	8.66
Concessionaires	1.01	1.12	1.06

Enplanements decreased by 26.4% in fiscal year 2021:

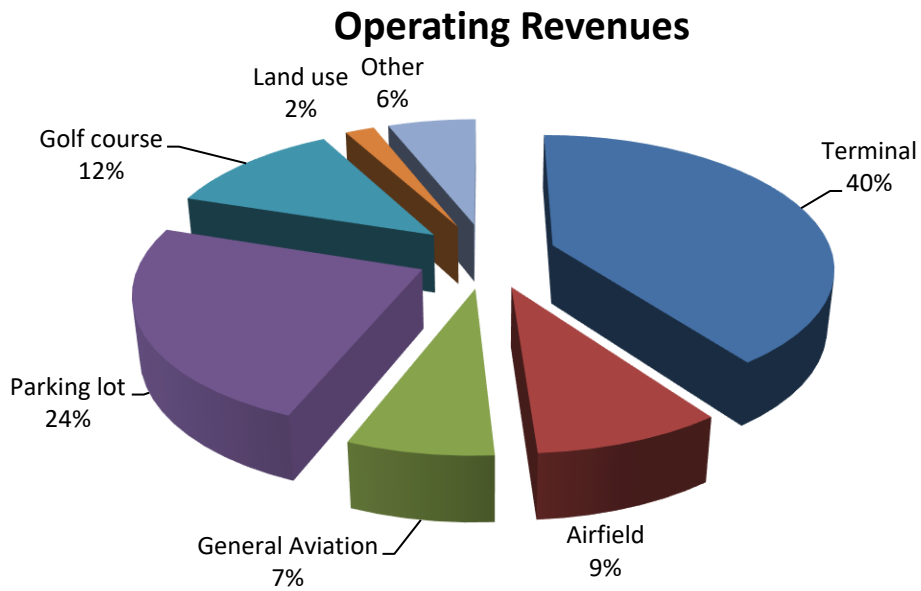
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Aircraft Movements (Land or Takeoff):</i>			
Airline	21,237	20,939	21,842
General aviation	42,562	43,380	40,229
Military	3,358	2,390	3,101
Total	<u>67,157</u>	<u>66,709</u>	<u>65,172</u>

Passenger Enplanements for Fiscal Year

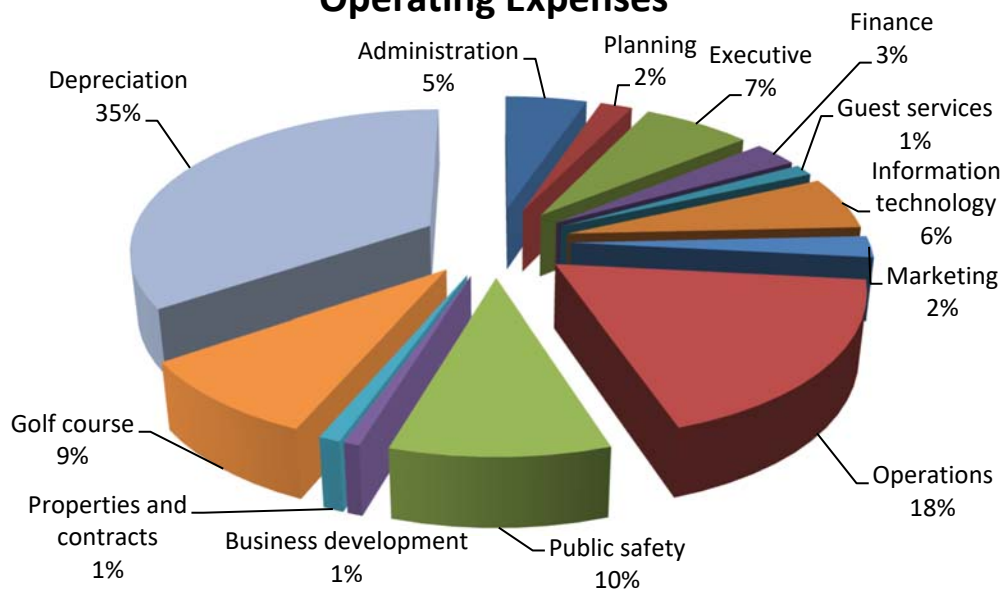


SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

<u>For Year Ended June 30</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 13,895,827	\$ 14,199,403	\$ 15,168,401
Operating expenses	<u>15,674,253</u>	<u>14,588,104</u>	<u>13,851,380</u>
Operating loss before non-operating revenues and expenses	(1,778,426)	(388,701)	1,317,021
Non-operating revenues and expenses, net	<u>3,539,977</u>	<u>4,333,348</u>	<u>4,976,935</u>
Income (loss) before capital contributions	1,761,551	3,944,647	6,293,956
Capital contributions	<u>35,138,365</u>	<u>10,328,288</u>	<u>10,184,989</u>
Increase in net position	<u>\$ 36,899,916</u>	<u>\$ 14,272,935</u>	<u>\$ 16,478,945</u>



Operating Expenses



FINANCIAL POSITION SUMMARY

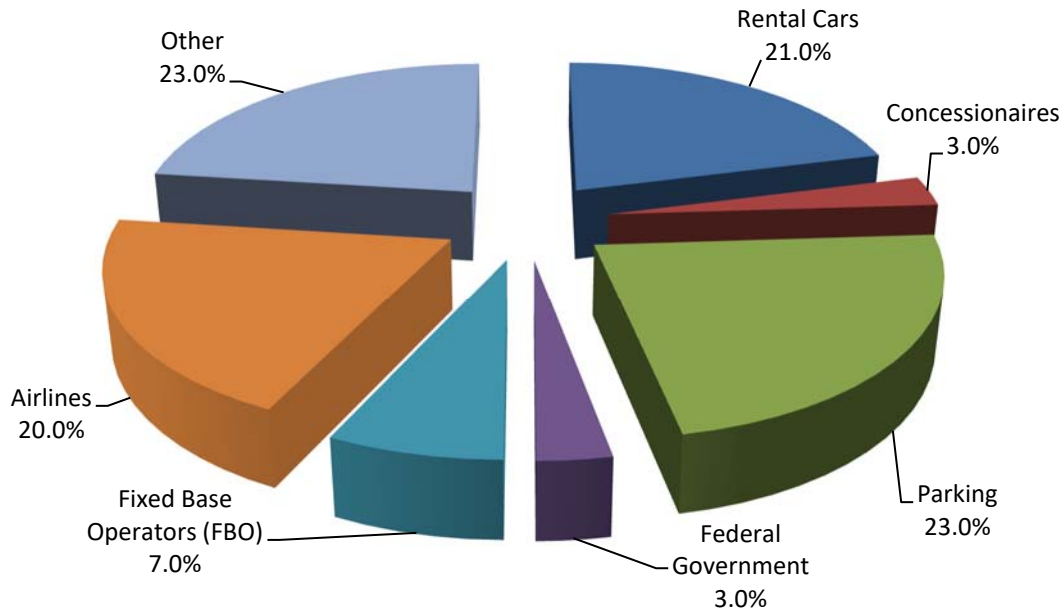
Net position may serve, over time, as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$205,981,563 at June 30, 2021, an increase of approximately \$36.9 million from June 30, 2020, and roughly a \$51.2 million increase from June 30, 2019.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 17,096,092	\$ 16,773,027	\$ 28,971,613
Restricted assets	11,769,175	14,644,366	16,561,028
Capital assets	203,495,176	166,894,747	137,104,929
Deferred outflows of resources	<u>1,618,268</u>	<u>914,393</u>	<u>1,035,011</u>
Total assets and deferred outflows of resources	<u>233,978,711</u>	<u>199,226,533</u>	<u>183,672,581</u>
Liabilities:			
Current liabilities	8,811,628	10,477,680	8,118,526
Non-current liabilities	18,879,812	19,279,598	20,604,462
Deferred inflows of resources	<u>305,708</u>	<u>387,608</u>	<u>140,881</u>
Total liabilities and deferred inflows of resources	<u>27,997,148</u>	<u>30,144,886</u>	<u>28,863,869</u>
Net Position:			
Net investment in capital assets	187,190,176	149,309,747	118,274,929
Restricted	10,289,525	10,687,520	12,381,155
Unrestricted	<u>8,501,862</u>	<u>9,084,380</u>	<u>24,152,628</u>
Total net position	<u>\$ 205,981,563</u>	<u>\$ 169,081,647</u>	<u>\$ 154,808,712</u>

REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as parking receipts, rental car privilege fees, landing fees, space rental, and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2021.



SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits, and highly liquid investments with an original maturity of three months or less.

For Year Ended June 30	2021	2020	2019
Cash flows from operating activities	\$ 2,650,533	\$ 6,633,975	\$ 5,315,576
Cash flows from investing activities	32,371	374,504	510,562
Cash flows from capital and related financing activities	<u>(6,672,836)</u>	<u>(12,253,707)</u>	<u>(6,083,521)</u>
Net increase (decrease) in cash and cash equivalents	(3,989,932)	(5,245,228)	(257,383)
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>26,957,527</u>	<u>32,202,755</u>	<u>32,460,138</u>
End of year - June 30	<u>\$ 22,967,595</u>	<u>\$ 26,957,527</u>	<u>\$ 32,202,755</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2021, the Authority expended \$42 million on capital activities. This included the following major projects:

- \$29.9 million on the Airfield Redevelopment
- \$3.7 million on South Apron Expansion
- \$4.9 million on terminal design
- \$2.6 million on land purchases

Acquisitions are funded using a variety of sources, including Federal and State grants, passenger facility charges, operating revenues, and net position appropriations.

CAPITAL ASSETS (net of accumulated depreciation)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 10,635,724	\$ 7,796,901	\$ 7,796,901
Construction in progress	129,905,034	96,706,870	62,560,507
Leasehold improvements	59,490,642	59,087,071	63,798,491
Equipment	2,544,035	2,128,232	1,780,761
Furniture	23,451	39,370	60,040
Vehicles	896,290	1,136,303	1,108,229
Capital assets, net of accumulated depreciation	<u>\$ 203,495,176</u>	<u>\$ 166,894,747</u>	<u>\$ 137,104,929</u>

Long-Term Debt

As of June 30, 2021, the Authority has the following long-term debt:

LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Greater Asheville Regional Airport Authority System Revenue Bonds	<u>\$ 16,305,000</u>	<u>\$ 17,585,000</u>	<u>\$ 18,830,000</u>

THE FUTURE

Pre-Covid, the Asheville Regional Airport had seen a number of consecutive years of record growth with calendar year 2019 ending with a 43% increase in passengers, making AVL one of the fastest growing airports in the United States. The airport is mostly a leisure market-based airport and as such saw a climb in passenger traffic during the Spring. June's passenger numbers were higher than the record-breaking June 2019. This is a good indication that passenger traffic is rebounding from the pandemic. Four carriers served the airport, and JetBlue announced in April that they will begin serving the Asheville market in June of 2022. Staff continues to advocate for additional airlines. Authority management continues to seek additional non-stop service to its top 25 origin and destination markets. Allegiant Travel Company continues to grow its presence and continues to have the largest market share of the air carriers operating from the airport. Allegiant also has a maintenance base in Asheville with three overnighing aircraft, with plans to increase this number, and 75+ employees calling the Asheville area home. Allegiant entered into a long-term lease for an existing maintenance facility located on the airport. This will ensure additional based aircraft and more non-stop destinations. American Airlines added a number of new destinations, such as Boston, Chicago, New York, and Washington DC for summer seasonal service. American is now the airport's second largest carrier by market share.

Authority management continues to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. The Broadmoor Golf Links acquisition went through at the beginning of the fiscal year as anticipated. Mid fiscal year, Authority staff requested proposals from developers for a four diamond, or equivalent, hotel and conference center to be constructed on the Broadmoor property and take over the management of the golf course for the long term. Negotiations ensued and continued through the end of the fiscal year with the anticipation of making a contract award early next fiscal year. Staff completed a master land plan for non-aeronautical property owned by the Authority. The new plan provides a path for the types and locations of future development, with the associated non-aeronautical revenues that would be derived from such development. Authority staff continues to work with the local economic development authorities to attract domestic and international manufacturing opportunities to the local community.

The Airfield development project was completed, and the permanent runway was commissioned in November. The remaining airfield work was mostly completed towards the end of the fiscal year. Progression with a new terminal building has moved along in the preliminary design phase and a construction manager at risk, Hensel Phelps, was selected through a competitive qualification process. Conceptual design drawings were completed and accepted by the Board.

Airports Council International – North America was instrumental in getting airports included in additional federal Covid financial support in two additional funding packages. An additional total of \$10B was issued to the airport industry, with the Authority receiving approximately \$11.5M. The majority of these funds will be used for operational expenses for FY 2022 and 2023.

Management will continue to improve the Airport and its facilities in a financially prudent manner, especially taking into consideration the impacts of COVID 19, maximizing Federal, State, and other revenues to minimize the Authority's internal funding commitment, thereby maximizing the Authority's return on its investments.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732. You may also call (828) 684-2226, visit our website www.flyavl.com, or send an email to pr@flyavl.com for more information.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 11,213,374	\$ 12,313,161
Accounts receivable	1,348,819	825,095
Grants receivable	2,619,903	2,507,069
Passenger facility charges receivable	700,000	75,000
Prepaid expenses	1,195,552	1,052,702
Inventories	18,444	-
Total current assets	<u>17,096,092</u>	<u>16,773,027</u>
Restricted assets:		
Cash and cash equivalents	<u>11,769,175</u>	<u>14,644,366</u>
Non-current assets:		
Non-depreciable capital assets	140,540,758	104,503,771
Depreciable capital assets, net	<u>62,954,418</u>	<u>62,390,976</u>
Total non-current assets	<u>203,495,176</u>	<u>166,894,747</u>
Total assets	<u>232,360,443</u>	<u>198,312,140</u>
Deferred Outflows of Resources:		
Pension deferrals	1,270,275	836,378
OPEB deferrals	<u>347,993</u>	<u>78,015</u>
Total deferred outflows of resources	<u>1,618,268</u>	<u>914,393</u>
Liabilities:		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	777,017	1,242,395
Construction contracts payable	3,358,493	3,108,784
Construction contract retainages	2,512,881	1,520,209
Compensated absences	343,676	301,000
Accrued liabilities	202,323	160,091
Prepaid fees	91,886	154,253
Payable from restricted assets:		
Security deposits	14,954	-
Accrued interest payable	195,398	211,976
Advance grant funding	-	2,498,972
Revenue bonds payable, current portion	<u>1,315,000</u>	<u>1,280,000</u>
Total current liabilities	<u>8,811,628</u>	<u>10,477,680</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Non-current liabilities:		
Total OPEB liability	1,240,110	1,098,901
Compensated absences	181,068	160,562
Total pension liability - LEOSSA	614,383	439,521
Net pension liability - LGERS	1,854,251	1,275,614
Revenue bonds payable, non-current portion	<u>14,990,000</u>	<u>16,305,000</u>
Total non-current liabilities	<u>18,879,812</u>	<u>19,279,598</u>
Total liabilities	<u>27,691,440</u>	<u>29,757,278</u>
Deferred Inflows of Resources:		
Pension deferrals	75,983	100,073
OPEB deferrals	<u>229,725</u>	<u>287,535</u>
Total deferred inflows of resources	<u>305,708</u>	<u>387,608</u>
Net Position:		
Net investment in capital assets	187,190,176	149,309,747
Restricted	10,289,525	10,687,520
Unrestricted	<u>8,501,862</u>	<u>9,084,380</u>
Total net position	<u>\$ 205,981,563</u>	<u>\$ 169,081,647</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

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

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Terminal	\$ 5,505,373	\$ 6,089,973
Airfield	1,205,993	1,298,340
General aviation	1,008,205	1,052,110
Parking lot	3,343,403	5,490,396
Golf course	1,698,388	-
Land use	223,704	200,170
Other	910,761	68,414
Total operating revenues	<u>13,895,827</u>	<u>14,199,403</u>
Operating Expenses:		
Administration	811,483	1,294,039
Planning	321,453	450,254
Executive	1,080,501	739,261
Finance	444,849	411,641
Guest services	199,358	213,532
Information technology	941,089	827,045
Marketing	379,631	563,073
Operations	2,867,437	3,324,897
Public safety	1,531,060	1,174,853
Business development	111,846	150,000
Properties and contracts	152,547	166,334
Golf course	1,405,623	-
Depreciation	5,427,376	5,273,175
Total operating expenses	<u>15,674,253</u>	<u>14,588,104</u>
Operating income (loss)	<u>(1,778,426)</u>	<u>(388,701)</u>
Non-Operating Revenues (Expenses):		
Passenger facility charges	2,301,153	2,598,307
Customer facility charges	1,507,251	1,752,173
Interest revenue	32,371	374,504
Gain on disposal of capital assets	90,000	32,315
Interest expense	(390,798)	(423,951)
Total non-operating revenues (expenses), net	<u>3,539,977</u>	<u>4,333,348</u>
Income (loss) before capital contributions	1,761,551	3,944,647
Capital contributions	<u>35,138,365</u>	<u>10,328,288</u>
Change in net position	36,899,916	14,272,935
Net Position:		
Beginning of year, July 1	<u>169,081,647</u>	<u>154,808,712</u>
End of year, June 30	<u>\$ 205,981,563</u>	<u>\$ 169,081,647</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash received for providing services	\$ 13,249,502	\$ 15,479,815
Cash paid for goods and services	(6,810,126)	(3,277,616)
Cash paid to, or on behalf of, employees for services	<u>(3,773,889)</u>	<u>(5,568,224)</u>
Net cash provided (used) by operating activities	<u>2,665,487</u>	<u>6,633,975</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(42,027,805)	(33,659,429)
Cash received for the sale of capital assets	90,000	44,450
Passenger facility charges	1,676,153	3,123,307
Customer facility charges	1,507,251	1,752,173
Principal payments of bond maturities	(1,280,000)	(1,245,000)
Interest paid on bond maturities	(407,376)	(440,074)
Capital contributions	<u>33,768,941</u>	<u>18,170,866</u>
Net cash provided (used) by capital and related financing activities	<u>(6,672,836)</u>	<u>(12,253,707)</u>
Cash Flows from Investing Activities:		
Interest income	<u>32,371</u>	<u>374,504</u>
Net increase (decrease) in cash and cash equivalents	(3,974,978)	(5,245,228)
Cash and Cash Equivalents:		
Beginning of year, July 1	<u>26,957,527</u>	<u>32,202,755</u>
End of year, June 30	<u>\$ 22,982,549</u>	<u>\$ 26,957,527</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (1,778,426)	\$ (388,701)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	5,427,376	5,273,175
Changes in assets, deferred outflows of resources, and liabilities:		
(Increase) decrease in accounts receivable	(523,725)	1,191,697
(Increase) decrease in prepaid items	(142,850)	(923,957)
(Increase) decrease in deferred outflows	(703,875)	120,618
(Increase) decrease in inventory	(18,444)	-
Increase (decrease) in accounts payable	(450,424)	1,011,053
Increase (decrease) in accrued liabilities	42,232	11,906
Increase (decrease) in prepaid fees	(62,367)	86,321
Increase (decrease) in other post-employment benefits	141,209	(160,574)
Increase (decrease) in compensated absences	63,182	114,945
Increase (decrease) in net pension liabilities	753,499	50,765
Increase (decrease) in deferred inflows	(81,900)	246,727
Total adjustments	4,443,913	7,022,676
Net cash provided by operating activities	\$ 2,665,487	\$ 6,633,975
Supplemental Cash Flow Information:		
Net change in construction contracts and retainage payable	\$ 1,242,381	\$ 1,415,699

The accompanying notes are an integral part of these financial statements.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. Organization and Summary of Significant Accounting Policies

The accounting policies of the Greater Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Asheville Regional Airport Authority (the “Authority”) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five-year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year-to-year extension after the term has been reached. Under the agreement, Buncombe County was responsible for funding any operating deficits of the Authority during the term of the agreement. On June 28, 2012, the General Assembly of North Carolina enacted the Greater Asheville Regional Airport Authority Act in Session Law 2012-121, making the Authority an independent airport authority and changing the official name to Greater Asheville Regional Airport Authority. Pursuant to the state statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

On June 28, 2017, the Federal Aviation Administration issued an Airport Operating Certificate in the name of the Greater Asheville Regional Airport Authority, allowing the Authority to act as the sole sponsor to operate the airport. The real property of the Authority was also deeded in the name of the Greater Asheville Regional Airport Authority. There are no outstanding liabilities, including grant reimbursements, regarding any payment to the City. Furthermore, all grant obligations incurred by the City, on behalf of the airport, were transferred in the transaction and are now the direct responsibility of the Authority. Also, the Authority is fully empowered to issue debt on behalf of the airport in support of future capital improvement needs.

B. Basis of Presentation

Fund financial statements provide information about the Authority’s funds. Statements for the proprietary fund category are presented.

Proprietary funds include the following fund type:

Enterprise Funds. Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one enterprise fund for airport operation.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

C. Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for services.

Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the enterprise fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer may transfer amounts between line-item expenditures, within a budget ordinance line item/cost center, without limitation and without a report being required. These changes should not result in increased recurring obligations. The Budget Officer may transfer amounts up to \$60,000 from contingency to other line items within the same fund. An official report on such transfers must be made at the next regular meeting of the Board. Any other amendments must be approved by the governing board. During the year, several amendments to the original budget were made. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Authority's use of estimates includes depreciation methods and useful lives, accrued expenses, deferred revenue, and pension and OPEB liabilities and deferrals. Accordingly, actual results could differ from those estimates.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

F. Assets, Liabilities, and Net Position

Deposits and Investments

All deposits of the Authority are made in Board-designated official depositories and are secured as required by state law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed, both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

Restricted assets consist of monies and other resources which are legally restricted as described below:

Cash and Cash Equivalents. The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Passenger facility charge collections that have been collected, but not yet disbursed on eligible projects, are restricted.

The unexpended grant proceeds are classified as restricted because their use is restricted to the purpose for which the grant was awarded.

The sinking fund balance for debt service bond repayment is restricted for the purpose of future debt retirement. The unexpended bond proceeds are classified as restricted assets, because their use is completely restricted to the purpose for which the bonds were originally issued.

Security deposits held by the Authority are restricted to the service for which the deposit was collected.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Restricted cash and cash equivalents at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Passenger facility charge collections, undisbursed	\$ 10,243,821	\$ 10,653,417
Debt service sinking funds - bond repayment	1,510,400	1,491,977
Security deposits	14,954	-
Unexpended grant proceeds	<u>-</u>	<u>2,498,972</u>
Total restricted cash and cash equivalents	<u>\$ 11,769,175</u>	<u>\$ 14,644,366</u>

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Authority did not have any accounts that were considered uncollectible by management for the years ended June 30, 2021 and 2020.

Inventory

The inventory of the Authority is valued at cost (first-in, first-out), which approximates market. The inventory of the Authority is for the golf course and consists of food and beverages, materials, and supplies held for resale, and is reported at lower of cost or market.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in the Statement of Net Position and the fund financial statements and are expensed as the items are used.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	5-40 years
Public safety and maintenance equipment	3-20 years
Vehicles	3-20 years
Furniture	5-10 years
Computer software	5 years
Computer equipment	5 years

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

Compensated Absences

Airport personnel policies permit an employee to earn vacation based on years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31, unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Executive Director. Employees who resign, are laid off, or otherwise separated from the Authority shall be entitled to be paid for any unused annual leave earned by them as of the date of termination, not to exceed 60 days. Accrued vacation pay amounted to \$410,927 and \$358,224 at June 30, 2021 and 2020, respectively.

A specific number of professional leave hours are available to exempt employees. Employees must be employed for 180 days of the calendar year to be eligible for professional leave for that year. The professional leave does not accrue from year to year. Unused professional leave is not paid upon termination, thus, no accrual has been made.

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is earned by regular, full-time employees at a rate of 12 days per year. All employees who properly resign, are laid off, or otherwise separated from the Authority in good standing shall be entitled to be paid for 33% of up to 240 hours of earned, but unused sick leave. Accrued sick pay amounted to \$113,817 and \$103,338 at June 30, 2021 and 2020, respectively.

The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

Net Position

Net position in proprietary fund financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through state statute.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Defined Benefit Cost-Sharing 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 Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due and the Authority has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

2. Detailed Notes On All Funds

A. Assets

Deposits

All the deposits of the Authority are either insured or collateralized by the Pooling Method as required by state law [G.S. 159-31]. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows; however, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority does not have a deposit policy for custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Authority's deposits had a carrying amount of \$22,498,267 and a bank balance of \$23,546,250. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$23,046,250 was covered under the Pooling Method. The Authority maintains petty cash of \$200.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Investments

At June 30, 2021, the Authority's investments and maturities were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Date</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>
North Carolina Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 484,082	\$ 484,082

* Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2021, the Authority's investment in the North Carolina Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

Accounts Receivable

The balance of accounts receivable at June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 1,188,541	\$ 604,583
Sales tax refunds receivables	160,278	220,512
Total	<u>\$ 1,348,819</u>	<u>\$ 825,095</u>

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets

The capital assets of the Authority at June 30, 2021 are as follows:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2021</u>
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 7,796,901	\$ -	\$ -	\$ 2,838,823	\$ 10,635,724
Construction in progress	96,706,870	42,027,805	-	(8,829,641)	129,905,034
Total non-depreciable capital assets	104,503,771	42,027,805	-	(5,990,818)	140,540,758
Depreciable Capital Assets:					
Leasehold improvements	116,986,329	-	-	5,078,130	122,064,459
Equipment	5,631,711	-	-	912,688	6,544,399
Furniture	198,448	-	-	-	198,448
Vehicles	3,319,925	-	(145,014)	-	3,174,911
Total depreciable capital assets	126,136,413	-	(145,014)	5,990,818	131,982,217
Less Accumulated Depreciation:					
Leasehold improvements	57,899,258	4,674,559	-	-	62,573,817
Equipment	3,503,479	496,885	-	-	4,000,364
Furniture	159,078	15,919	-	-	174,997
Vehicles	2,183,622	240,013	(145,014)	-	2,278,621
Total accumulated depreciation	63,745,437	\$ 5,427,376	\$ (145,014)	\$ -	69,027,799
Total depreciable capital assets, net	62,390,976				62,954,418
Business-type activities capital assets, net	\$ 166,894,747				\$ 203,495,176

Construction Commitments

The Authority has active construction projects as of June 30, 2021. At year-end, the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Airfield re-development	\$ 34,593,650	\$ 3,424,975
Apron design	1,452,013	206,861
Apron expansion	5,104,880	4,268,817
Terminal design	6,318,468	7,574,996
Parking lots	2,055,856	322,567
ATC design	-	4,157,923
South GA ramp	-	565,432
Total	\$ 49,524,867	\$ 20,521,571

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

B. Liabilities

Payables

Payables at June 30, 2021, and 2020, were as follows:

	Vendors	Salaries and Benefits	Security Deposits	Total
June 30, 2021:				
Accounts payable	\$ 762,063	\$ -	\$ 14,954	\$ 777,017
Accrued liabilities	-	202,323	-	202,323
Total	\$ 762,063	\$ 202,323	\$ 14,954	\$ 979,340
June 30, 2020:				
Accounts payable	\$ 1,229,610	\$ -	\$ 12,785	\$ 1,242,395
Accrued liabilities	-	160,091	-	160,091
Total	\$ 1,229,610	\$ 160,091	\$ 12,785	\$ 1,402,486

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Authority is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2021, was 10.9% of compensation for law enforcement officers and 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Authority were \$399,893 for the year ended June 30, 2021. For the year ended June 30, 2020, the Authority's contractually required contribution rate was 9.70% for law enforcement officers and 8.95% for general employees. Contributions to the pension plan from the Authority were \$338,123 for the year ended June 30, 2020.

Refunds of Contributions. Authority employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2021, the Authority reported a liability of \$1,854,251 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Authority's proportion was 0.05189% (measured as of June 30, 2020), which was an increase of 0.00518% from its proportion as of June 30, 2020 (measured as of June 30, 2019.)

For the year ended June 30, 2021, the Authority recognized pension expense of \$658,988. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,159	\$ -
Changes of assumptions	137,993	-
Net difference between projected and actual earnings on pension plan investments	260,936	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	77,937	23,048
Authority contributions subsequent to the measurement date	399,893	-
Total	\$ 1,110,918	\$ 23,048

\$399,893 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 197,297
2023	254,381
2024	159,075
2025	77,224
2026	-
Total	\$ 687,977

Actuarial Assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019, valuation with the exception of the discount rate were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits 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 presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability (asset)	\$ 3,762,073	\$ 1,854,251	\$ 268,717

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

Plan Description. The Authority administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Authority’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>11</u>
Total	<u><u>12</u></u>

Summary of Significant Accounting Policies

Basis of Accounting. The Authority has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. A separate report is not issued for the plan.

The Separation Allowance has no assets accumulated in a trust that meet the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 - 7.75%
Investment rate of return	1.93%

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-Median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-Median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Contributions. The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the operating budget. There were no contributions made by employees. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The Authority paid \$14,188 as benefits came due for the reporting period.

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

At June 30, 2021, the Authority reported a total pension liability of \$614,383. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Authority recognized pension expense of \$50,079.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,599	\$ 40,040
Changes of assumptions	149,927	12,895
Benefit payments and administrative expenses subsequent to the measurement date	6,831	-
Total	\$ 159,357	\$ 52,935

\$6,831 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 18,974
2023	19,748
2024	15,916
2025	19,423
2026	25,530
Thereafter	-
Total	\$ 99,591

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sensitivity of the Authority's Total Pension Liability to Changes in the Discount Rate. The following presents the Authority's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Authority's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% (0.93%)	Discount (1.93%)	1% (2.93%)
Total pension liability	\$ 657,386	\$ 614,383	\$ 574,675

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2019	\$ 439,521
Changes for the year:	
Service cost at end of year	16,438
Interest	14,097
Difference between expected and actual experience	(68)
Changes of assumptions and other inputs	158,583
Benefit payments	(14,188)
Net changes	174,862
Total pension liability as of December 31, 2020	\$ 614,383

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 658,988	\$ 50,079	\$ 709,067
Pension liability	1,854,251	614,383	2,468,634
Proportionate share of the net position liability	0.05189%	n/a	n/a

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 234,159	\$ 2,599	\$ 236,758
Changes of assumptions	137,993	149,927	287,920
Net difference between projected and actual earnings on plan investments	260,936	-	260,936
Changes in proportion and differences between contributions and proportionate share of contributions	77,937	-	77,937
Contributions and administrative costs paid subsequent to the measurement date	399,893	6,831	406,724
Total	<u>\$ 1,110,918</u>	<u>\$ 159,357</u>	<u>\$ 1,270,275</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ -	\$ 40,040	\$ 40,040
Changes of assumptions	-	12,895	12,895
Changes in proportion and differences between contributions and proportionate share of contributions	23,048	-	23,048
Total	<u>\$ 23,048</u>	<u>\$ 52,935</u>	<u>\$ 75,983</u>

Supplemental Retirement Income Plan

Plan Description. The Authority contributes to the Supplemental Retirement Income Plan (the “Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (the “ACFR”) for the State of North Carolina. The state’s ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Funding Policy. Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5% of each officer's salary. In addition to the required contribution for law enforcement officers, the Authority makes a monthly contribution equal to 5% of non-law enforcement officer's salary. Also, law enforcement officers and non-law enforcement officers of the Authority may make voluntary contributions to the Plan.

The Authority made contributions of \$49,115 and \$145,988 for law enforcement officers and non-law enforcement officers, respectively, for the year ended June 30, 2021. The Authority made contributions of \$40,115 and \$146,243 for law enforcement officers and non-law enforcement officers, respectively, for the year ended June 30, 2020. No amounts were forfeited in 2021 or 2020.

Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan, the Authority does not determine the number of eligible participants. The Authority has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based on rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Authority considers these contributions to be immaterial.

The Department of State Treasurer uses funds derived from court costs to offset employer contribution rates to the LGERS Death Benefit Plan for law enforcement officers. During the fiscal year ended June 30, 2021, these offset funds matched the total contribution rate of .014%.

The Authority provides health, dental, short-term and long-term disability, life insurance, and a 457 deferred compensation plan to its regular full-time employees. Regular part-time employees, working at least 1,000 hours annually, qualify for these benefits.

Other Post-Employment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan.") The Authority Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Benefits Provided. The Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the North Carolina Local Governmental Employees' Retirement System, were hired prior to July 1, 2011, and were covered by the Authority's group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. Employees hired on or after July 1, 2011, are not eligible for the Authority's post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority. The Authority Board may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Retiree Health Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Retirees receiving benefits	4
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>22</u>
Total	<u><u>26</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$1,240,110 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increase	3.50 - 7.75 percent, including wage inflation
Discount rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare cost trends	
Pre-Medicare	7.00 percent for 2019 decreasing to an ultimate 4.50 percent by 2026

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Schedule of Changes in Total OPEB Liability	
Total OPEB liability as of June 30, 2020	\$ 1,098,901
Changes for the year:	
Service cost at end of year	44,254
Interest	39,123
Difference between expected and actual experience	(3,428)
Changes of assumptions and other inputs	112,453
Benefit payments and implicit subsidy credit	(51,193)
Net changes	141,209
Total pension liability as of June 30, 2021	\$ 1,240,110

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 1,334,262	\$ 1,240,110	\$ 1,152,043

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 1,110,011	\$ 1,240,110	\$ 1,390,054

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$53,467. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117	\$ 177,741
Changes of assumptions	107,830	51,984
Benefit payments and administrative costs made subsequent to the measurement date	240,046	-
Total	\$ 347,993	\$ 229,725

\$240,046 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (37,980)
2023	(37,980)
2024	(37,980)
2025	(22,195)
2026	14,357
Thereafter	-
Total	\$ (121,778)

Long-Term Debt

On September 1, 2016, the Authority issued \$21,000,000 of direct placement revenue bonds entitled Greater Asheville Regional Airport Authority System Revenue Bonds 2016A and 2016B. These bonds provide financing for the construction of a parking deck for the airport system. The bonds require sinking fund payments beginning July 1, 2017 ranging from \$955,000 to \$1,665,000 annually, including semi-annual interest ranging from 2.39% to 2.59%, until July 1, 2031.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The revenue bonds mature as follows:

Year Ending June 30	Principal	Interest
2022	\$ 1,315,000	\$ 374,530
2023	1,345,000	342,188
2024	1,375,000	309,684
2025	1,410,000	276,404
2026	1,445,000	242,286
2027-2031	7,750,000	670,873
2032	<u>1,665,000</u>	<u>19,897</u>
Total	<u>\$ 16,305,000</u>	<u>\$ 2,235,862</u>

The Authority is in compliance with the covenants of the bond order. The Bond Order requires the debt service coverage ratio to be no less than 125%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Airport revenues (excluding passenger facility charges)	\$ 15,435,450
Current expenses *	<u>10,637,675</u>
Net revenues	<u>\$ 4,797,775</u>
Debt service: **	
Principal	\$ 1,280,000
Interest	<u>407,376</u>
	<u>\$ 1,687,376</u>
 Debt service coverage ratio	 284.33%

* excludes capital outlay, debt service, and depreciation

** Per Bond Indenture, debt service for a fiscal year ending June 30, includes amounts of principal and interest due on the following July 1

The Authority has pledged future airport system revenues, net of specified operating expenses, to repay the \$21 million in airport system direct placement revenue bonds issued 2016. Proceeds from the bonds provided financing for the construction of the parking deck. The bonds are payable solely from airport system net revenues and are payable through FY 2032. Annual principal and interest payments on the bonds are expected to require less than 35% of net revenues. In the event of a default, the Authority agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the Authority under the related agreement. The total principal and interest remaining to be paid on the bonds is \$18,540,862. Principal and interest paid for the current year and total customer net revenues were \$1,687,376 and \$4,797,775 respectively.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes in Long-Term Liabilities

Changes in long-term liabilities are as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>	<u>Current</u>
Direct placement revenue bonds	\$ 17,585,000	\$ -	\$ 1,280,000	\$ 16,305,000	\$ 1,315,000
Compensated absences	461,562	365,229	302,047	524,744	343,676
Total pension liability (LEO)	439,521	174,862	-	614,383	-
Net pension liability (LGERS)	1,275,614	578,637	-	1,854,251	-
Total OPEB liability	1,098,901	141,209	-	1,240,110	-
Total	<u>\$ 20,860,598</u>	<u>\$ 1,259,937</u>	<u>\$ 1,582,047</u>	<u>\$ 20,538,488</u>	<u>\$ 1,658,676</u>

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property, general liability, flood, automobile, workers' compensation, crime, public officials, law enforcement, and employment practices coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Authority carries flood insurance through Federal Insurance Company in the amount of \$10,000,000.

The Authority's crime insurance covers all employees, with a limit of \$250,000 per loss. The Finance Officer is individually bonded for \$250,000.

A cyber insurance policy for up to \$1,000,000 single and aggregate limit for both first party and third-party claims is carried by the Airport to insure against losses and damages and address major cyber risks such as data breach, business interruption, data theft or corruption, and cyber extortion.

Net Position

The Authority Board has established an operations and maintenance designation equal to six months of the Airport's subsequent year's operations and maintenance budget. The Board has also designated \$650,000 for emergency repairs. Unrestricted net position consists of the following:

	<u>2021</u>	<u>2020</u>
Unrestricted net position, designated for:		
Operating and maintenance designation	\$ 5,384,122	\$ 5,201,092
Emergency repair designation	650,000	650,000
Undesignated, unrestricted net position	<u>2,467,740</u>	<u>3,233,288</u>
Total unrestricted net position	<u>\$ 8,501,862</u>	<u>\$ 9,084,380</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Revenue and Expenses

Leases and Other Non-Cancelable Agreements

The Authority leases land and facilities to tenants under various cancelable and non-cancelable agreements. Some agreements require a fixed monthly rent and others require a fee that is the greater of a minimum annual guarantee privilege fee or a percentage of gross sales by the tenant. The future non-cancelable minimum annual rentals and privilege fees to be received under agreements in effect at June 30, 2021, are as follows:

Year Ending June 30	Amount
2022	\$ 1,881,844
2023	1,654,781
2024	1,639,867
2025	1,659,261
2026	1,631,827
Thereafter	<u>24,540,919</u>
Total	<u>\$ 33,008,499</u>

Passenger Facility Charges

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Revenues from passenger facility charges totaled \$2,301,153 for the year ended June 30, 2021, and \$2,598,307 for the year ended June 30, 2020.

3. Commitments and Contingencies (Including Litigation)

A. Construction Contract Commitments

The Authority has commitments of approximately \$20.5 million for the construction/renovation of facilities. These projects are to be funded through federal grants, state grants, passenger facility charges, customer facility charges and Authority funding.

The underlying contracts have termination provisions. The contract with architectural/engineering consulting firms representing approximately \$12.8 million of the commitment amount allows either party to terminate the agreement with a seven-day written notice and the consultant is entitled to payment for work executed and costs incurred by reason of such termination.

The contracts with the construction firms representing approximately \$300,000 of the commitment amount allows the Authority to suspend or terminate the agreements upon any violation or breach of terms of the contract. Authority will provide contractor written notice of breach and corrective

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

actions contractor must undertake to avoid termination of contract, including specific date by which the breach must be corrected. Authority reserves the right to withhold payments to contractor until such time the contractor corrects the breach or the Authority elects to terminate the contract.

The contracts with the construction firms representing \$7.4 million of the commitment amount allows the attachment of surety bond for the faithful performance of work specified in strict conformity with specifications set forth. If said work is not completed within the time stated, the contractor shall be liable to pay the Authority liquidated damages in the amount of \$3,000 per calendar day for each day thereafter that said work remains substantially incomplete.

B. Federal and State-Assisted Programs

The Authority has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

C. Contingent Liabilities

The Authority is presently a defendant in various lawsuits and is also subject to potential claims which may arise out of the ordinary conduct of its affairs. The Authority is also involved in general disputes with contractors as an ongoing matter. The Authority is involved in the following:

General Disputes

The Authority is involved in several general disputes with contractors involving the Authority's capital projects. These ongoing issues are not pending litigation. The Authority is working with the surety on one project in order to resolve a particular dispute. The other disputes are not pending any litigation. Management does not believe that these matters require a provision for a future loss as of June 30, 2021.

The Authority faces additional costs in the form of legal and professional fees, costs, and potential settlement payments involving the matters noted above. However, it is the opinion of the Authority's management that the additional costs, including the possibility of settlement of these matters, if any, will not have a material adverse effect on the Authority's financial position.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

D. COVID-19 Pandemic

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the Authority, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the Authority is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS*

Schedule of Changes in Total Pension Liability

	2021	2020	2019	2018	2017
Beginning balance	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122	\$ 446,133
Changes for the year:					
Service cost at end of year	16,438	14,922	21,066	18,349	21,843
Interest	14,097	16,242	14,748	16,298	15,375
Difference between expected and actual experience	(68)	(42,639)	(22,507)	7,343	-
Changes of assumptions and other inputs	158,583	11,606	(19,141)	29,226	(11,280)
Benefit payments	(14,188)	(13,662)	(15,672)	(37,780)	(30,949)
Net changes	174,862	(13,531)	(21,506)	33,436	(5,011)
Ending balance of the total pension liability	<u>\$ 614,383</u>	<u>\$ 439,521</u>	<u>\$ 453,052</u>	<u>\$ 474,558</u>	<u>\$ 441,122</u>

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2021	2020	2019	2018	2017
Total pension liability	\$ 614,383	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122
Covered payroll	675,287	621,433	731,825	740,566	740,566
Total pension liability as a percentage of covered payroll	90.98%	70.73%	61.91%	64.08%	59.57%

Notes to the Schedule:

The Authority has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

* The amounts presented for each fiscal year were determined as of the prior calendar year ending December 31.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS**

Schedule of Changes in the Total OPEB Liability and Related Ratios

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 44,254	\$ 73,409	\$ 75,000	\$ 79,544
Interest	39,123	48,250	42,614	35,421
Differences between expected and actual experience	(3,428)	(266,103)	(693)	265
Changes of assumptions	112,453	22,464	(39,497)	(65,963)
Benefit payments and implicit subsidy credit	<u>(51,193)</u>	<u>(38,594)</u>	<u>(29,661)</u>	<u>(28,486)</u>
Net change in total OPEB liability	141,209	(160,574)	47,763	20,781
Total OPEB liability - beginning	<u>1,098,901</u>	<u>1,259,475</u>	<u>1,211,712</u>	<u>1,190,931</u>
Total OPEB liability - ending	<u>\$ 1,240,110</u>	<u>\$ 1,098,901</u>	<u>\$ 1,259,475</u>	<u>\$ 1,211,712</u>
Covered payroll	\$ 1,525,141	\$ 1,525,141	\$ 1,794,239	\$ 1,794,239
Total OPEB liability as a percentage of covered payroll	81.31%	72.05%	70.20%	67.53%

Notes to the Schedule:

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Local Governmental Employees' Retirement System			
	2021	2020	2019	2018
Authority's proportion of the net pension liability (asset) (%)	0.05189%	0.04671%	0.05106%	0.05238%
Authority's proportion of the net pension liability (asset) (\$)	\$ 1,854,251	\$ 1,275,614	\$ 1,211,318	\$ 800,221
Authority's covered payroll	\$ 3,701,694	\$ 3,368,784	\$ 3,206,342	\$ 3,226,530
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.09%	37.87%	37.78%	24.80%
Plan fiduciary net position as a percentage of the total pension liability (asset)**	88.61%	90.86%	91.63%	94.18%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Local Governmental Employees' Retirement System			
	2017	2016	2015	2014
Authority's proportion of the net pension liability (asset) (%)	0.05093%	0.05042%	0.04853%	0.05120%
Authority's proportion of the net pension liability (asset) (\$)	\$ 1,080,905	\$ 226,282	\$ (286,204)	\$ 617,157
Authority's covered payroll	\$ 3,067,020	\$ 2,861,908	\$ 2,699,905	\$ 2,574,058
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.24%	7.91%	(10.60%)	23.98%
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.47%	98.09%	102.64%	94.35%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

Local Governmental Employees' Retirement System				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 399,893	\$ 338,123	\$ 267,877	\$ 247,476
Contributions in relation to the contractually required contribution	<u>399,893</u>	<u>338,123</u>	<u>267,877</u>	<u>247,476</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 3,866,009	\$ 3,701,694	\$ 3,368,784	\$ 3,206,342
Contributions as a percentage of covered payroll	10.34%	9.13%	7.95%	7.72%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

Local Governmental Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 241,459	\$ 210,066	\$ 204,511	\$ 192,190
Contributions in relation to the contractually required contribution	<u>241,459</u>	<u>210,066</u>	<u>204,511</u>	<u>192,190</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 3,226,530	\$ 3,067,020	\$ 2,861,908	\$ 2,699,905
Contributions as a percentage of covered payroll	7.48%	6.85%	7.15%	7.12%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Terminal	\$ 5,301,439	\$ 5,505,373	\$ 203,934	\$ 6,089,973
Airfield	1,002,458	1,205,993	203,535	1,298,340
General aviation	1,044,998	1,008,205	(36,793)	1,052,110
Parking lot	3,738,636	3,343,403	(395,233)	5,490,396
Golf course	1,576,512	1,698,388	121,876	-
Land use	-	223,704	223,704	200,170
Interest income	100,000	32,371	(67,629)	374,504
Other	219,122	910,761	691,639	68,414
Customer facility charges	1,400,000	1,507,251	107,251	1,752,173
Total operating revenues	14,383,165	15,435,449	1,052,284	16,326,080
Non-operating revenues:				
State grant reimbursements	13,351,791	-	(13,351,791)	(66,527)
Federal airport improvement program grants	27,663,500	-	(27,663,500)	-
CARES Act grant	4,440,982	11,151,387	6,710,405	-
Passenger facility charges	2,150,000	534,102	(1,615,898)	1,617,891
Total non-operating revenues	47,606,273	11,685,489	(35,920,784)	1,551,364
Total revenues	61,989,438	27,120,938	(34,868,500)	17,877,444
Expenditures:				
Administration	806,351	639,369	166,982	644,936
Planning	430,236	321,453	108,783	450,254
Executive	1,263,605	1,080,501	183,104	739,261
Finance	488,923	444,849	44,074	411,641
Guest services	248,549	199,358	49,191	213,532
Information technology	1,104,486	941,089	163,397	827,045
Marketing	653,418	379,631	273,787	563,073
Operations	4,152,024	2,867,437	1,284,587	3,601,519
Public safety	1,939,598	1,531,060	408,538	1,174,853
Business development	300,000	111,846	188,154	150,000
Debt service - principal	1,280,000	1,280,000	-	1,245,000
Debt service - interest	407,376	407,376	-	440,074
Emergency repair	50,000	-	50,000	-
Properties and contracts	200,826	152,547	48,279	166,334
Golf course	1,464,831	1,405,623	59,208	-
Contingency	211,681	-	211,681	-
Carry-over capital expenditures from prior year	64,910,660	-	64,910,660	-
Renewal and replacement capital outlay	410,000	-	410,000	-
Capital project expenditures	11,136,976	-	11,136,976	-
Total expenditures	91,459,540	11,762,139	79,697,401	10,627,522

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(29,470,102)	15,358,799	44,828,901	7,249,922
Other Financing Sources (Uses):				
Transfers (to)/from operating cash	(16,451,137)	(16,451,137)	-	-
Proceeds on sale of assets	-	90,000	90,000	44,450
Funded by future revenues	45,921,239	-	(45,921,239)	-
Total other financing sources (uses)	29,470,102	(16,361,137)	(45,831,239)	44,450
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(1,002,338)	\$ (1,002,338)	7,294,372
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Net revenue from capital project consolidation		25,754,030		11,375,231
Principal payments of bond maturities		1,280,000		1,245,000
Increase (decrease) in deferred outflows of resources		703,875		(120,618)
(Increase) decrease in accrued interest payable		16,578		16,123
(Increase) decrease in accrued compensated absences		(63,182)		(114,945)
(Increase) decrease in net total pension liability (LEOSSA)		(174,862)		13,531
(Increase) decrease in net pension liability (LGERs)		(578,637)		(64,296)
(Increase) decrease in total OPEB liability		(141,209)		160,574
(Increase) decrease in deferred inflows of resources		81,900		(246,727)
Transfers (to)/from operating cash		16,451,137		
Book value of disposed assets		-		(12,135)
Depreciation		(5,427,376)		(5,273,175)
Change in net position		\$ 36,899,916		\$ 14,272,935

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

CAPITAL IMPROVEMENTS SUPPLEMENTAL SCHEDULE
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Federal airport improvement program grants	\$ 98,754,459	\$ 61,526,825	\$ 15,553,145	\$ 77,079,970	\$ (21,674,489)
Passenger facility charges	15,746,259	6,107,553	1,767,051	7,874,604	(7,871,655)
State grants	8,433,834	-	8,433,834	8,433,834	-
Total operating revenues	<u>122,934,552</u>	<u>67,634,378</u>	<u>25,754,030</u>	<u>93,388,408</u>	<u>(29,546,144)</u>
Expenditures:					
Airfield Re-Development - Bid Package 1	11,868,128	10,446,912	-	10,446,912	1,421,216
Airfield Re-Development - Bid Package 2	13,956,089	13,912,380	-	13,912,380	43,709
Airfield Re-Development - Bid Package 3	16,338,255	15,958,520	562,781	16,521,301	(183,046)
Airfield Re-Development - Bid Package 4	77,837,528	43,448,111	29,335,439	72,783,550	5,053,978
South Apron expansion construction	10,664,537	2,831,233	3,087,904	5,919,137	4,745,400
Terminal design	27,000,000	1,557,860	4,942,346	6,500,206	20,499,794
Parking lots construction	2,188,794	1,407,791	284,673	1,692,464	496,330
Security project	2,605,672	2,562,541	42,911	2,605,452	220
Terminal Bldg infrastructure improvements	2,000,000	1,982,042	45,964	2,028,006	(28,006)
Other	11,116,034	2,599,480	3,725,786	6,325,266	4,790,768
Total expenditures	<u>175,575,037</u>	<u>96,706,870</u>	<u>42,027,804</u>	<u>138,734,674</u>	<u>36,840,363</u>
Revenues under expenditures	(52,640,485)	(29,072,492)	(16,273,774)	(45,346,266)	7,294,219
Other Financing Sources (Uses):					
Transfers (to)/from operating cash	<u>52,640,485</u>	<u>29,072,492</u>	<u>16,451,137</u>	<u>45,523,629</u>	<u>(7,116,856)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,363</u>	<u>\$ 177,363</u>	<u>\$ 177,363</u>

Note: Schedule represents cumulative activity for active capital improvement projects. Budget and actual activity is accounted for in the Operating Fund; not a separate fund. This schedule is for additional detail of active capital improvement projects.

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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 the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited, in accordance with the 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 accompanying financial statements of the business-type activities of Greater Asheville Regional Airport Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 28, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater Asheville 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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 28, 2021

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Greater Asheville Regional Airport Authority's ("the Authority"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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 significant deficiencies or material weaknesses. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 28, 2021

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

“A Professional Association of Certified Public Accountants and Management Consultants”

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor’s Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major State Program

We have audited Greater Asheville Regional Airport Authority’s (“the Authority”), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Authority’s major state programs for the year ended June 30, 2021. The Authority’s major state programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of State Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Authority’s compliance.

Opinion on Each Major State Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state 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 state 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 significant deficiencies or material weaknesses. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 28, 2021

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for the Passenger Facility Charge Program and on Internal Control Over Compliance and the Schedule of Passenger Facility Charges Collected and Expended and Interest Collected Required by the Passenger Facility Charge Audit Guide for Public Agencies

Independent Auditor's Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Greenville, North Carolina

Report on Compliance for the Passenger Facility Charge Program

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Greater Asheville Regional Airport Authority's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards 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 the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville 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 the passenger facility charge program. However, our audit does not provide a legal determination of Greater Asheville Regional Airport Authority's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the Greater Asheville 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 passenger facility charge program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Greater Asheville 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 the Greater Asheville Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with 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 Greater Asheville Regional Airport 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 the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 28, 2021

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiency (s) identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? No
- Significant deficiency (s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Airport Improvement Program	20.106

Dollar threshold used to distinguish between Type A and Type B programs \$801,136

Auditee qualified as low-risk auditee? Yes

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

State Awards

Internal control over major state programs:

- Material weakness (es) identified? No
- Significant deficiency (s) identified? None reported

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

State Aid to Airports Program

Passenger Facility Charge Program

Internal control over Passenger Facility Charge Program:

- Material weakness (es) identified? No
- Significant deficiency (s) identified? None reported

Type of auditor's report issued on compliance for Passenger Facility Charge Program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Federal Aviation Administration (Guide) for its Passenger Facility Charge Program? No

Identification of Program:

Part 14 CFR 158 Passenger Facility Charge Program

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

2. Findings Related to the Audit of the Basic Financial Statements

None reported.

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

5. Passenger Facility Charge Findings and Questioned Costs

There are no Passenger Facility Charge findings and questioned costs to report.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

None

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Passed-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>	<u>Passed Through To Subrecipients</u>
Federal Grants:						
<u>U.S. Department of Transportation</u>						
Federal Aviation Administration						
Direct Program:						
Airport Improvement Program	20.106		\$ 15,553,146	\$ -	\$ 21,341,643	\$ -
COVID-19 Airport Improvement Program	20.106		11,151,386	-	-	-
Total Airport Improvement Program			<u>26,704,532</u>	<u>-</u>	<u>21,341,643</u>	<u>-</u>
Total Federal Awards			<u>26,704,532</u>	<u>-</u>	<u>21,341,643</u>	<u>-</u>
State Grants:						
<u>N.C. Department of Transportation</u>						
State Aid to Airports		DOT-8	-	8,433,832	-	-
Total N.C. Department of Transportation			<u>-</u>	<u>8,433,832</u>	<u>-</u>	<u>-</u>
Total State Awards			<u>-</u>	<u>8,433,832</u>	<u>-</u>	<u>-</u>
Total Federal and State Awards			<u>\$ 26,704,532</u>	<u>\$ 8,433,832</u>	<u>\$ 21,341,643</u>	<u>\$ -</u>
Passenger Facility Charges:						
Capital improvements						
Application approved number 11-05-C-00-AVL						
Beginning balance, unliquidated Passenger Facility charges						
Facility charges			\$ 9,073,452			
Passenger facility charges collected			1,679,240			
Interest earned			14,250			
Expenditures			<u>(1,767,051)</u>			
Ending balance, unliquidated Passenger Facility charges						
Facility charges			<u>\$ 8,999,891</u>			

Notes to the Schedule of Expenditures of Federal and State Awards:

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the Greater Asheville Regional Airport Authority under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA 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 and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Greater Asheville Regional Airport Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Greater Asheville Regional Airport Authority.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Greater Asheville Regional Airport Authority has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

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MEMORANDUM

TO: Members of the Airport Authority

FROM: Lisa Jump, Director of Administration and Human Resources

DATE: December 10, 2021

ITEM DESCRIPTION – New Business Item B

Approval of Amended Pay Grade Structure

BACKGROUND

The Authority has struggled to attract, hire and retain individuals for positions over the last 18 months. A comprehensive salary survey was recently conducted to include like sized airports and businesses within our community to benchmark “like” positions. The last comprehensive study was done back in 2011.

The amended Pay Grade Structure is the tool to ensure that pay levels for Authority positions are competitive externally and equitable internally. In the past, raises have been based solely on merit performance. This, and the current pandemic has caused the Authority to fall behind with market rates. Going forward raises will be based on cost-of-living adjustments and merit performance.

ISSUES

Current labor market conditions in Asheville are at critical levels. The service industry has not recovered from the pandemic as quickly as others. Many employers are having difficulties finding and retaining a labor force. Companies and employers in the vicinity of the airport are paying well above \$15.00 per hour. The Authority’s pay structure needs to be adjusted to reflect the current market. We are hopeful that the amended Pay Grade Structure will ensure that the Authority’s salary adjustments are maintained at a competitive level. This will allow the Authority to attract, motivate and retain key talent to serve the Authority’s business needs. It will also allow the Authority to remain competitive within our community for similar talent.



ALTERNATIVES

The Authority Board could decide not to approve the proposed Pay Grade Structure or make changes to the proposal.

FISCAL IMPACT

With all the necessary adjustments, we are anticipating an annual increase of approximately \$900,000, or approximately 17.5% to the Personnel Service section of the budget, which includes 15 current vacant positions. Since the adjustment won't go into effect until January 4, 2022, only half of the annual amount will be included in a budget amendment.

Based on the new salary structure a recommended revised Pay Grade Structure is presented below.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to approve the amended Pay Grade Structure effective January 4, 2022.

Greater Asheville Regional Airport Authority

Recommended Pay Grades

Pay Grade	Minimum	Midpoint	Maximum
29	\$116,000	\$145,000	\$174,000
28	\$108,000	\$135,000	\$162,000
27	\$100,000	\$125,000	\$150,000
26	\$92,000	\$115,000	\$138,000
25	\$84,000	\$105,000	\$126,000
24	\$76,000	\$95,000	\$114,000
23	\$68,000	\$85,000	\$102,000
22	\$60,000	\$75,000	\$90,000
21	\$56,000	\$70,000	\$84,000
20	\$52,000	\$65,000	\$78,000
19	\$50,000	\$62,000	\$74,000
18	\$46,000	\$57,500	\$69,000
17	\$44,000	\$55,000	\$66,000
16	\$42,000	\$52,500	\$63,000
15	\$40,000	\$50,000	\$60,000
14	\$38,400	\$48,000	\$57,600
13	\$36,800	\$46,000	\$55,200
12	\$35,200	\$44,000	\$52,800
11	\$33,600	\$42,000	\$50,400

Greater Asheville Regional Airport Authority

Title	Recommended Pay Range and Pay Grade			
	Pay Range			Pay Grade
	Minimum	Midpoint	Maximum	
Deputy Executive Director	\$116,000	\$145,000	\$174,000	29
Director of Finance and Accounting	\$108,000	\$135,000	\$162,000	28
Director of Information Technology	\$92,000	\$115,000	\$138,000	26
Director of Business Dev and Airport Prop	\$84,000	\$105,000	\$126,000	25
Director Marketing, PR, and Air Service Dev	\$84,000	\$105,000	\$126,000	25
Director of Operations and Maintenance	\$84,000	\$105,000	\$126,000	25
Public Safety Chief	\$84,000	\$105,000	\$126,000	25
Airport Planning Manager	\$84,000	\$105,000	\$126,000	25
Director of Administration	\$84,000	\$105,000	\$126,000	25
IT Systems Administrator II	\$60,000	\$75,000	\$90,000	22
Accounting Administrator	\$60,000	\$75,000	\$90,000	22
Airport Operations Supervisor	\$60,000	\$75,000	\$90,000	22
IT Systems Administrator I	\$60,000	\$75,000	\$90,000	22
Public Safety Captain	\$60,000	\$75,000	\$90,000	22
Safety Prog and Special Projects Manager	\$60,000	\$75,000	\$90,000	22
Public Safety Lieutenant	\$56,000	\$70,000	\$84,000	21
Maintenance Supervisor	\$56,000	\$70,000	\$84,000	21
Custodial Supervisor	\$56,000	\$70,000	\$84,000	21
Executive Assistant	\$50,000	\$62,000	\$74,000	19
Operations Specialist II	\$46,000	\$57,500	\$69,000	18
Public Safety Officer	\$46,000	\$57,500	\$69,000	18
Airport Systems Technician II	\$46,000	\$57,500	\$69,000	18
Brand Experience Designer	\$46,000	\$57,500	\$69,000	18
Guest Services and Sales Supervisor	\$46,000	\$57,500	\$69,000	18
Aircraft Rescue Firefighter	\$44,000	\$55,000	\$66,000	17
Accounting Coordinator	\$44,000	\$55,000	\$66,000	17
Assistant Maintenance Supervisor	\$44,000	\$55,000	\$66,000	17
Operations Specialist I	\$44,000	\$55,000	\$66,000	17
Marketing and Public Relations Coordinator	\$42,000	\$52,500	\$63,000	16
Equipment Mechanic Tech IV	\$42,000	\$52,500	\$63,000	16
Planning Coordinator	\$42,000	\$52,500	\$63,000	16
Maintenance Tech IV: Airfield & Facility Elect	\$42,000	\$52,500	\$63,000	16
Maintenance Tech IV (HVAC)	\$42,000	\$52,500	\$63,000	16
Maintenance Tech IV	\$42,000	\$52,500	\$63,000	16
Maintenance Tech III: General Maintenance	\$40,000	\$50,000	\$60,000	15
Administrative/Human Resources Assistant	\$40,000	\$50,000	\$60,000	15
Information Technology Assistant	\$40,000	\$50,000	\$60,000	15
Maintenance Tech II	\$38,400	\$48,000	\$57,600	14
Custodial Lead	\$36,800	\$46,000	\$55,200	13
Maintenance Tech I	\$36,800	\$46,000	\$55,200	13
Guest Services FT Clerk	\$33,600	\$42,000	\$50,400	11
Guest Services PT Clerk	\$33,600	\$42,000	\$50,400	11
Custodial Technician	\$33,600	\$42,000	\$50,400	11



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: December 10, 2021

ITEM DESCRIPTION – New Business Item C

Approval of Amendment to the FY21/22 Budget for Revised Departmental Budgets

BACKGROUND

The FY21/22 budget was adopted by the Authority Board on April 21, 2021. At the time of the budget preparation, the pandemic was still greatly impacting airline activity and our budget included very conservative revenue and expenditure amounts to ensure sound fiscal management. Now that airline travel has rebounded significantly, we need to adjust the budget amounts to more accurately reflect operational needs. We need to increase the revenue budget by \$3,536,494. We also need to adjust our expenditure budget to allow us to better manage the increased passenger traffic and complete projects that were postponed due to the pandemic. The total expenditure budget increase is \$1,354,845. Of this total, \$449,974 is for the cost of salary adjustments from the recent compensation survey and \$904,871 is for operating and capital expenditures.

ISSUES

None.

ALTERNATIVES

None

New Business – Item C



FISCAL IMPACT

The budget amendment will increase FY21/22 budgeted revenues by \$3,536,494 and expenditures by \$1,354,845.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY2021/2022 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30,2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administration Dept.		\$43,694
Executive Dept.		332,634
Finance Dept.		40,401
Guest Services Dept.		30,758
Information Tech. Dept.		75,603
Marketing Dept.		99,705
Operations/Maintenance Dept.		396,761
Planning Dept.		22,300
Properties Dept.		35,119
Public Safety Dept.		180,264
Capital – Renewal/Replacement		97,606
Totals		\$1,354,845

This will result in a net increase of \$1,354,845 in the appropriations. Revenues will be revised as follows:



REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Terminal		\$1,604,493
Airfield		281,711
Parking Lot/Roadway		1,636,518
Other		13,772
Transfer from GARAA Cash	<u>\$2,181,649</u>	<u>0</u>
Totals	<u>\$2,181,649</u>	<u>\$3,536,494</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 10th day of December 2021.

Matthew C. Burril, Chair

Attested by:

Ellen Heywood, Clerk to the Board

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Revenue Sources	Actual Revenue			Current Budget	Revised Proposed Budget
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2021-2022
Investment Income					
Interest Income	\$ 510,562	\$ 374,504	32,371	\$ 10,000	10,000
Total Investment Income	510,562	374,504	32,371	10,000	10,000
Terminal Space Rentals - Non-Airline					
FAA Tower Rent	148,760	163,013	166,274	\$ 167,093	192,314
TSA Space	88,032	89,793	91,589	\$ 93,420	93,420
American Tower Corp	2,400	2,879	3210	3,234	3,234
Federal Express	100	60	60	60	60
Total Terminal Space Rentals - Non-Airline	239,292	255,745	261,133	263,807	289,029
Terminal Space Rentals - Airline					
Loading Bridge Fees (includes FGP & PC Air)	82,595	79,322	69,607	\$ 81,938	88,200
Gate Area (per enplanement)	911,418	776,506	606,476	\$ 535,500	585,000
Gate Area (per airline)	132,631	120,832	120,832	\$ 137,096	137,096
Bag Makeup (per bag)	307,243	267,053	183,990	\$ 303,240	324,800
Bag Makeup (per airline)	58,605	47,300	47,300	\$ 53,668	53,668
American (Counter/Office/Queue)	101,217	123,762	123,762	\$ 112,323	117,988
Delta Air Lines (Counter/Office/Queue)	120,927	140,573	140,573	\$ 127,580	127,580
United/SkyWest/Continental (Counter/Office/Queue)	73,836	85,831	85,831	\$ 77,898	77,898
Allegiant (Counter/Office/Queue)	79,849	71,714	71,714	\$ 74,621	69,324
Spirit	-	39,957	(2,438)	\$ -	-
Worldwide (Office)	7,277	8,675	8,675	\$ 7,873	18,912
SunCountry	-	-	-	\$ -	9,792
Common Use (Counter/Queue)	-	-	-	-	-
Checkpoint Lane Fees	57,533	-	-	-	-
Turn Fees-Non-Scheduled Airlines	30,936	105,229	3,436	\$ -	-
Airline Waived Fees	(28,757)	(16,038)	(22,028)	\$ -	-
Total Terminal Space Rentals - Airline	1,935,309	1,850,716	1,437,730	1,511,737	1,610,258
Concessions					
Food & Beverage, Gift, Info	344,086	318,253	208,731	\$ 200,000	280,000
Advertising	342,920	324,095	208,917	\$ 200,000	250,000
Brochure Sales	30,073	42,282	37,973	\$ 27,000	27,000
Merchandise Sales	-	-	-	-	-
Guest Services	4,149	4,085	3,089	\$ 3,000	3,000
Art in the Airport	75	3,179	-	\$ -	350
Optiwash Station	224	1,131	490	\$ 300	600
FuelRod	-	1,006	930	\$ 400	400
Immaculate Cleaning	-	438	890	\$ 500	500
Sanitary Machines	35	56	41	\$ -	-
ATM	465	516	300	\$ 300	300
Total Concessions	722,027	695,041	461,361	431,500	562,150

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Revenue Sources	Actual Revenue			Current Budget Fiscal Year 2021-2022	Revised
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021		Proposed Budget Fiscal Year 2021-2022
Auto Parking					
Public Parking	5,900,213	5,231,961	3,182,193	\$ 4,063,482	5,500,000
Commuter Parking	18,176	42,891	40,452	\$ 20,000	20,000
Total Auto Parking	5,918,389	5,274,852	3,222,645	4,083,482	5,520,000
Rental Car					
Rental Car - Car Rentals					
Avis MAG (Avis/Budget FY2020)	170,791	341,151	506,631	\$ 297,762	297,762
Dollar/Thrifty	46,286	50,000	-	\$ -	-
Hertz MAG (Dollar/Thrifty FY2020)	268,670	330,108	403,590	\$ 338,125	338,125
Enterprise MAG (National/Alamo FY2020)	321,841	392,652	1,462,062	\$ 864,113	864,113
Budget MAG	118,831	-	-	\$ -	-
National/Alamo MAG	488,462	597,372	-	\$ -	-
Avis %	85,125	112,265	-	-	200,000
Hertz %	120,052	36,107	-	-	300,000
Enterprise %	238,976	146,055	-	-	800,000
Budget %	122,411	-	-	-	-
National/Alamo %	402,520	125,067	-	-	-
Dollar/Thrifty %		73,017	-	-	-
Off Airport % - Thrifty	17,182	-	-	-	-
Off Airport % - Dollar	3,246	-	-	-	-
Subtotal Car Rentals	2,404,392	2,203,794	2,372,283	1,500,000	2,800,000
Rental Car - Facility Rent					
Avis (Counter & Office) (Avis/Budget FY2020)	29,088	28,294	28,294	\$ 29,284	29,284
Dollar/Thrifty (Counter & Office)	11,764	25,145	-	\$ -	-
Hertz (Counter & Office)	33,534	37,647	62,792	\$ 64,990	64,990
Enterprise (Counter & Office)	26,092	30,832	58,092	\$ 60,125	60,125
Vanguard/National/Alamo (Counter & Office)	33,630	27,260	-	\$ -	-
Budget (Counter & Office)	19,257	-	-	\$ -	-
Avis (Ready/Return) (Avis/Budget FY2020)	12,734	15,048	15,048	\$ 15,575	19,263
Dollar/Thrifty (Ready/Return)	1,756	4,950	-	\$ -	-
Hertz (Ready/Return)	19,528	21,186	26,136	\$ 27,051	21,313
Enterprise (Ready/Return)	18,032	23,430	47,520	\$ 49,183	51,233
Vanguard/National/Alamo (Ready/Return)	27,911	24,090	-	\$ -	-
Budget (Ready/Return)	6,072	-	-	\$ -	-
Avis (Service Facility) (Avis/Budget FY2020)	32,070	37,406	43,072	\$ 44,580	44,687
Dollar/Thrifty (Service Facility)	7,010	19,755	-	\$ -	-
Hertz (Service Facility)	53,982	69,991	99,526	\$ 103,009	103,258
Enterprise (Service Facility)	50,322	59,089	97,853	\$ 101,278	101,522
Budget (Service Facility)	16,943	-	-	\$ -	-
Vanguard/National/Alamo (Service Facility)	74,276	52,772	-	\$ -	-
Avis CAM fee (Avis/Dollar FY2020)	15,775	8,823	5,528	\$ 6,289	6,289

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Revenue Sources	Actual Revenue			Current Budget Fiscal Year 2021-2022	Revised
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021		Proposed Budget Fiscal Year 2021-2022
Dollar/Thrifty	2,049	7,543	-	\$ -	-
Hertz CAM fee	23,894	13,569	12,772	\$ 14,533	14,533
Enterprise CAM fee	22,740	17,939	12,558	\$ 14,291	14,291
Vanguard/National/Alamo CAM fee	40,275	11,881	-	\$ -	-
Budget CAM fee	6,480	-	-	\$ -	-
Waived rent			(52,005)	\$ -	-
Common Area Maintenance (Service Facility)			37,500	75,000	75,000
Subtotal Facility Rent	585,213	536,650	494,686	605,188	605,787
Total Rental Car	2,989,604	2,740,444	2,866,969	2,105,188	3,405,787
Commercial Ground Transportation					
Employee Parking	52,305	32,770	26,730	\$ 10,000	10,000
Ground Transportation Fees	238,197	182,774	94,028	\$ 100,000	300,000
Total Commercial Ground Transportation	290,503	215,544	120,758	110,000	310,000
Landing Fees					
Delta Air Lines	270,647	223,590	214,951	\$ 237,926	272,000
SkyWest / United	139,878	113,090	88,683	\$ 140,716	171,000
Allegiant	463,895	461,796	445,122	\$ 536,315	592,000
American	286,956	284,406	290,887	\$ 303,332	465,000
Spirit	21,300	59,455	-	-	-
Elite	(89)	1,549	243	-	-
Total Scheduled Carriers			-	-	-
Charter Fees / General			2,999	-	-
Airline Landing Fees Waived	(22,976)	(11,812)	-	-	-
Non-Signatory Premium (to Signatory Carrier)			-	-	-
Total Landing Fees	1,159,611	1,132,074	1,042,885	1,218,289	1,500,000
FBOs					
Percentage Fee	36,050	32,726	30,793	\$ 25,000	25,000
T-Hangar	87,430	89,324	90,566	\$ 90,566	90,566
Bulk Hangar #1	122,629	125,285	127,027	\$ 127,027	127,027
Bulk Hangar #2	231,201	236,209	239,493	\$ 239,493	239,493
Land Rent	486,540	490,090	497,660	\$ 518,142	518,142
Apron Rent		1,163	3,488	\$ 3,488	3,488
Option Parcel Fee			-	\$ -	-
Waived rent			(80,378)	\$ -	-
Fuel Flowage Fee	97,568	66,600	86,899	\$ 90,000	90,000
Subtotal FBOs	1,061,418	1,041,397	995,548	1,093,716	1,093,716
Belle Aircraft Maintenance					
Percentage Fee	11,271	10,713	12,656	\$ 5,000	5,000
Total FBOs/SASOs	1,072,688	1,052,110	1,008,204	1,098,716	1,098,716

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
REVENUE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Revenue Sources	Actual Revenue			Current Budget Fiscal Year 2021-2022	Revised
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021		Proposed Budget Fiscal Year 2021-2022
Building Leases					
Rental Houses	16,806	21,133	24,115	\$ 24,177	24,177
Airport Support Bldg	13,403	42,599	42,289	\$ -	7,000
SmarTrac			-	\$ -	-
Lacy Griffin Building (WNC Aviation)	20,522	20,906	20,937	\$ 20,937	20,937
Allegiant - Apron				\$ 3,968	3,968
Allegiant - Hangar/Bldg				\$ 105,070	105,070
Allegiant - Hangar Land Area				\$ 376	376
Allegiant - Parking (Landside)				\$ 10,468	10,468
Cargo Building (Allegiant)	34,180	32,136	32,184	\$ -	-
Cargo Building (US Airways)			-	\$ -	-
Total Building Leases	84,911	116,774	119,525	164,996	171,996
Land Leases					
Pasture Rent & Misc Land Leases	600	2,033	25,916	\$ 600	600
NCSU	100	100	170	\$ 100	100
Lamar (Billboard)	3,500	3,500	7,427	\$ 7,318	7,318
US Forest Service - Tanker	11,662	12,828	12,049	\$ 12,062	12,062
Waddell/Triangle Stop	35,784	36,057	36,057	\$ 36,057	36,057
Waddell - Fuel Fee		18,913	22,559	\$ 26,000	26,000
Golf Center	3,942	9,966	-	\$ 116,668	123,440
Total Land Leases	55,588	83,397	104,178	198,805	205,577
Other Leases/Fees					
LEO Services (TSA)	107,200	116,800	116,800	116,800	116,800
Security Fee (Airlines)	427,028	382,458	298,672	\$ 535,500	585,000
Security Fee (Rental Car)	77,965	96,612	114,867	\$ 106,967	106,967
Security Fee (ID Media)	47,670	49,465	49,307	\$ 37,000	37,000
Telecommunication Fees (Voice/Data)	55,992	67,033	59,667	\$ 65,000	65,000
Sale of Assets	61,045	-	906,185	\$ -	-
Misc	(21,602)	63,515	2,028	\$ 2,000	2,000
Tenant Services/Assessment Fees	6,224	-	-	-	-
Annual Event Fees/Sponsorships (Runway 5K)	-	-	-	25,000	25,000
Non-Signatory Security Fee Premium			-	-	-
Total Other Leases	761,522	775,883	1,547,526	888,267	937,767
Total Revenue	\$ 15,740,007	\$ 14,567,084	\$ 12,225,285	\$ 12,084,787	\$ 15,621,280

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Expenses	Actual Expenses			Current Budget Fiscal Year 2021-2022	Revised
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021		Proposed Budget Fiscal Year 2021-2022
PERSONNEL SERVICES					
Regular Salaries	\$ 3,226,569	\$ 3,818,557	\$ 3,916,405	\$ 4,370,705	\$ 4,732,705
Overtime	122,240	55,599	71,832	115,900	115,900
Salary Adjustment/Bonus Pool			-	9,478	9,478
Internship	4,356	-	-	-	-
LEO Special Separation Allowance		24,122	-	39,418	39,418
Longevity	52,095	54,427	61,042	60,372	60,372
Unemployment Claims		426	2,805	14,000	14,000
Holiday Pay	13,400	14,700	15,566	16,894	16,894
Auto Allowance	30,900	33,400	33,000	33,600	33,600
Rewards Program			-	4,000	4,000
Gym Membership Reimbursements	626	2,138	1,040	-	14,000
Service Awards	1,307	1,215	1,813	1,625	1,625
Retiree Health		60,058	-	31,661	31,661
Benefits	1,641,211	1,887,969	1,936,135	2,334,887	2,426,361
Total Personnel Services	5,092,705	5,952,611	6,039,638	7,032,540	7,500,014
OPERATING EXPENSES					
Professional Services					
Professional Services - General	120,748	217,556	236,651	158,500	437,750
Professional Services - Legal	89,518	176,820	148,952	50,000	130,000
Artwork and Creative Production	13,259	16,523	9,551	22,000	32,000
Surveys, Reports & Data	45,377	18,923	-	-	-
Physicals & Drug Screens	4,973	5,950	5,760	4,150	4,150
Fit for Duty Physicals	-	-	-	6,800	6,800
Website Maintenance	324	536	981	3,000	3,000
Auditors	15,100	22,500	34,500	36,000	36,000
Temporary Help	-	-	-	-	25,000
Total Professional Services	289,300	458,808	436,395	280,450	674,700
Contractual Services					
Computer Technical Support	20,959	21,391	-	-	-
Landscaping	9,420	9,420	9,420	-	-
Parking Management Contract	439,710	463,541	261,287	512,668	512,668
Parking Management Shuttle	-	76,714	-	400,814	400,814
Other Contractual Services	271,753	380,858	424,385	497,215	616,395
Elevator Maintenance Contract	7,425	8,361	8,611	8,800	10,000
Fire Alarm Systems Contract	13,403	15,312	13,809	14,280	14,680
Total Contractual Services	762,670	975,597	717,512	1,433,777	1,554,557
Travel and Training					
Travel & Per Diem	161,370	96,375	33,918	86,700	123,800
Training & Education	32,983	19,583	7,971	49,850	52,850
Total Travel and Training	194,354	115,958	41,889	136,550	176,650
Communications and Freight					
Postage	5,600	5,021	4,070	5,000	5,000
Express Mail Delivery	2,008	463	292	1,000	1,000
Telecommunications	74,294	50,569	57,822	54,240	54,240
Online Services	-	-	-	1,000	1,000
Total Communications and Freight	81,902	56,053	62,184	61,240	61,240

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

<u>Expenses</u>	Actual Expenses			Current Budget Fiscal Year 2021-2022	Revised
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021		Proposed Budget Fiscal Year 2021-2022
Rentals and Leases					
Rentals & Leases	13,639	14,253	15,765	15,310	15,310
Total Rentals and Leases	13,639	14,253	15,765	15,310	15,310
Insurance					
Property & Casualty	63,200	66,733	84,043	90,000	90,000
General Liability	28,352	33,000	35,310	45,000	45,000
Auto Liability	17,021	19,622	22,862	27,000	27,000
Other Insurance & Bonds	41,477	47,328	186,239	72,400	72,400
Worker's Compensation Insurance	109,877	110,826	63,982	100,000	100,000
Total Insurance	259,927	277,509	392,436	334,400	334,400
Utility Services					
Electric Service	330,578	322,953	297,566	349,317	349,317
Gas Service	39,089	31,568	34,125	40,000	40,000
Water/Sewer Service	83,167	52,708	34,143	90,250	90,250
Total Utility Services	452,834	407,229	365,834	479,567	479,567
Repairs and Maintenance					
Other Repairs & Maintenance	27,401	17,865	13,586	22,800	40,300
Terminal, Buildings and Grounds	164,609	155,947	136,093	150,000	171,000
Permits, Licenses and Fees		850	1,560	1,000	1,000
Vehicles and Heavy Equipment	224,239	78,501	95,956	60,000	69,500
Airport and Airfield Equipment	55,954	8,753	7,126	10,000	25,000
Total Repairs and Maintenance	472,203	261,916	254,321	243,800	306,800
Printing & Binding					
Printing & Binding	9,894	13,826	3,911	9,980	15,980
Banners	-	-	-	-	-
Total Printing & Binding	9,894	13,826	3,911	9,980	15,980
Promotional Activities					
Radio	67,660	7,200	12,858	10,000	18,000
Billboards	12,512	22,675	-	24,000	24,000
Print	15,909	12,869	2,625	6,100	6,100
TV	19,600	-	-	-	-
Web Advertising	59,488	59,804	14,023	95,000	117,350
Air Service Development	3,409	6,238	4,845	2,300	2,300
Other Promotional Events/Sponsorships	8,360	6,363	7,040	6,500	8,500
Community Events/Exhibits/Sponsorships	82,892	33,913	17,797	66,200	89,200
Employee/Tenant Events	31,587	16,525	9,209	23,725	25,725
Wellness	6,445	3,264	1,614	3,500	3,500
Total Promotional Activities	307,862	168,851	70,011	237,325	294,675

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
EXPENSE BUDGET ANALYSIS FOR FISCAL YEAR 2021-2022**

Expenses	Actual Expenses			Current Budget	Revised Proposed Budget
	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2021-2022
Other Current Charges and Obligations					
Legal Notices & Advertising	5,412	845	197	4,750	6,750
Credit Card & Bank Fees	51,093	44,052	42,482	45,300	63,300
Recruiting Expense				2,100	2,100
Other Current Charges & Obligations	2,483	8,056	1,672	3,500	3,500
In Terminal Advertising	1,538	6,450	575	1,500	3,500
Total Other Current Charges and Obligations	60,527	59,403	44,926	57,150	79,150
Operating Supplies					
Office Supplies	6,959	6,874	6,176	7,000	7,000
Vehicle Fuel	26,230	36,462	35,950	40,000	50,000
Shop Supplies	2,480	1,063	1,363	3,000	3,000
Other Operating Supplies	101,105	75,142	48,038	87,100	91,600
Art Program Supplies	731	1,152	90	1,000	1,000
Promotional Supplies	18,105	12,238	7,536	10,000	14,000
Holiday Decorations	2,031	1,575	302	1,000	1,000
Chemicals and Safety	52,698	984	(562)	48,000	48,000
Small Tools and Equipment	23,765	6,384	7,415	8,000	19,000
Custodial Supplies	33,929	46,347	11,626	27,000	42,000
Custodial Consumables	43,451	64,401	39,826	52,500	77,500
Operating Furniture, Fixtures, Equipment and Software	99,588	65,018	26,677	54,200	80,185
Uniforms	23,550	13,225	12,512	19,900	19,900
Firefighter Equipment	1,453	1,460	11,976	19,750	19,750
Total Operating Supplies	436,074	332,325	208,925	378,450	473,935
Books, Publications, Subscriptions & Memberships					
Books, Publications, Compact Disks, Videos & Subscriptions	6,681	6,488	4,249	7,895	9,370
Dues & Memberships	44,067	57,549	61,327	59,565	48,890
Licenses and Certification Fees	120	280	120	1,320	1,320
Total Books, Publications, Subscriptions & Mem.	50,868	64,317	65,696	68,780	59,580
Emergency Repair	24,015	6,272	9,957	50,000	50,000
TOTAL SERVICES & MATERIALS	3,416,066	3,212,317	2,689,762	3,786,779	4,576,544
TOTAL OPERATING EXPENSES, INCLUDING EMERGENCY REPAIR EXPENSE	\$ 8,508,771	\$ 9,164,928	\$ 8,729,400	\$ 10,819,319	\$ 12,076,558

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST
FY 2021-2022

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input checked="" type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Mower Deck Replacement	\$ 38,000

Airport Maintenance is requesting to replace the 2003 bat wing mowing deck. This piece of equipment has reached its useful life and requires extensive maintenance to keep it operational. The mowing deck is used on the airfield. Total cost would be \$32,000.00.

Airport Maintenance is requesting to purchase a rear bumper mounted spreader that would attach to an existing piece of equipment to assist in maintaining airport grounds. Total cost of attachment would be \$6,000.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Operations

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2021-2022

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement		
<input type="checkbox"/>	Equipment and Small Capital Outlay	Fund	GARAA
<input checked="" type="checkbox"/>	Renewal and Replacement	Department Number	80
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Vehicle Replacement	\$ 31,606

Department of Public Safety is requesting to replace Unit #12, 2015 Ford F-350, which is used for Airport Fire Emergency Services. Airport cost is \$46,118.00 less \$29,000.00 trade value for the 2015 Ford F-350. Total cost would be \$17,118.00.

Department of Public Safety is requesting to replace Unit #28, 2018 Ford Explorer, to conform with the vehicle replacement policy. This vehicle is used for Airport Public Safety services. Airport cost is \$42,488.00, less \$28,000.00 trade for the 2018 Ford Explorer. Total cost for this vehicle would be \$14,488.00.

NOTE: If this request relates to recently approved personnel, please complete the following:

TITLE:

HIRE DATE:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT
Information Technology
CAPITAL BUDGET / PERSONNEL REQUEST
FY 2021-2022**

JUSTIFICATION SCHEDULE

	Capital Improvement				
	Equipment and Small Capital Outlay		Fund		GARAA
X	Renewal and Replacement		Department Number		60
	Personnel Request		Cost Center		0

DESCRIPTION & JUSTIFICATION

Description	Amount
Voice Recorder Server	\$ 18,000

The Airport's current voice recorder server is used to record radio traffic and specific lines throughout the campus. The current voice recorder was installed in 2014 and is at the end of its useful life. It is the recommendation of the Information Technology Department to replace this system.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
ASHEVILLE REGIONAL AIRPORT**

Information Technology

CAPITAL BUDGET / PERSONNEL REQUEST

FY 2021-2022

JUSTIFICATION SCHEDULE

<input type="checkbox"/>	Capital Improvement	Fund	GARAA
<input type="checkbox"/>	Equipment and Small Capital Outlay	Department Number	60
<input checked="" type="checkbox"/>	Renewal and Replacement	Cost Center	0
<input type="checkbox"/>	Personnel Request		

DESCRIPTION & JUSTIFICATION

Description	Amount
Internet Firewall	\$ 10,000

The Airport's internet firewall serves as a critical component to ensure the protection of our internal systems. AVL's current firewall is undersized and not capable of supporting today's high speed internet circuits. It is the recommendation of the Information Technology Department to replace this device with two internet firewalls in a high availability configuration



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: December 10, 2021

ITEM DESCRIPTION – New Business Item D

Approval of Bond Underwriting Services

BACKGROUND

The Authority's bond consultant, PFM Financial Advisors (PFM), recently issued a Request for Proposals from firms to provide bond underwriting services in connection with a future public offering bond issuance. Nine proposals were submitted. The proposals were evaluated on factors such as experience providing underwriting services to similar-sized airports as AVL, understanding of AVL's operations and cost of this service. Based on these factors, staff review and a recommendation from PFM, we submit Raymond James & Associates, Inc. to serve as senior underwriter on the next public offering bond issuance.

At a later date, if necessary, co-underwriters will be selected to serve on the underwriting team with Raymond James & Associates. These co-underwriters will be selected from the firms who submitted proposals which are listed on the attached document.

ISSUES

None

ALTERNATIVES

The Authority Board could decide not to approve the recommendation of staff or select another firm to provide underwriting services.

New Business – Item D



FISCAL IMPACT

The cost of this service is based on the total amount of bond issuance and will be paid from bond proceeds.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve Raymond James & Associates, Inc to serve as senior underwriter; (2) authorize the Executive Director to select co-underwriters at a later date; and (3) authorize the Executive Director to execute the necessary documents.

PROPOSED TAKEDOWN BY MATURITY

Maturity	BofA	Citi	JP Morgan	Morgan Stanley	Piper Sandler	Raymond James	Siebert	UBS	Wells Fargo
2026	\$1.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2027	\$1.75	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2028	\$2.00	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2029	\$2.00	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2030	\$2.00	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2031	\$2.00	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2032	\$2.00	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.00	\$1.50	\$2.50
2033	\$2.25	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2034	\$2.25	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2035	\$2.25	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2036	\$2.25	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2037	\$2.25	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2038	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2039	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.25	\$2.50	\$1.50	\$2.50
2040	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.50	\$2.50	\$1.50	\$2.50
2041	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.50	\$2.50	\$1.50	\$2.50
2042	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.50	\$2.50	\$1.50	\$2.50
2043	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.50	\$2.50	\$1.50	\$2.50
2044	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$1.50	\$2.50	\$1.50	\$2.50
2045	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$2.00	\$2.50	\$1.50	\$2.50
2046	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$2.00	\$2.50	\$1.50	\$2.50
2047	\$2.50	\$1.90	\$2.00	\$2.00	\$2.25	\$2.00	\$2.50	\$1.50	\$2.50
2048	\$2.75	\$1.90	\$2.00	\$2.00	\$2.25	\$2.00	\$2.50	\$1.50	\$2.50
2049	\$2.75	\$1.90	\$2.00	\$2.00	\$2.25	\$2.00	\$2.50	\$1.50	\$2.50
2050	\$2.75	\$1.90	\$2.00	\$2.00	\$2.25	\$2.50	\$2.50	\$1.50	\$2.50
2051	\$2.75	\$1.90	\$2.00	\$2.00	\$2.25	\$2.50	\$2.50	\$1.50	\$2.50
2052	\$2.75	\$1.90	\$2.00	\$2.00	\$2.25	\$2.50	\$2.50	\$1.50	\$2.50

ESTIMATED TAKEDOWN - HYPOTHETICAL NEW MONEY FINANCING

Maturity	Principal	BofA	Citi	JP Morgan	Morgan Stanley	Piper Sandler	Raymond James	Siebert	UBS	Wells Fargo
2026	\$5,140,000	\$7,710	\$9,766	\$10,280	\$10,280	\$11,565	\$6,425	\$10,280	\$7,710	\$12,850
2027	\$5,320,000	\$9,310	\$10,108	\$10,640	\$10,640	\$11,970	\$6,650	\$10,640	\$7,980	\$13,300
2028	\$5,510,000	\$11,020	\$10,469	\$11,020	\$11,020	\$12,398	\$6,888	\$11,020	\$8,265	\$13,775
2029	\$5,700,000	\$11,400	\$10,830	\$11,400	\$11,400	\$12,825	\$7,125	\$11,400	\$8,550	\$14,250
2030	\$5,900,000	\$11,800	\$11,210	\$11,800	\$11,800	\$13,275	\$7,375	\$11,800	\$8,850	\$14,750
2031	\$6,105,000	\$12,210	\$11,600	\$12,210	\$12,210	\$13,736	\$7,631	\$12,210	\$9,158	\$15,263
2032	\$6,320,000	\$12,640	\$12,008	\$12,640	\$12,640	\$14,220	\$7,900	\$12,640	\$9,480	\$15,800
2033	\$6,540,000	\$14,715	\$12,426	\$13,080	\$13,080	\$14,715	\$8,175	\$16,350	\$9,810	\$16,350
2034	\$6,770,000	\$15,233	\$12,863	\$13,540	\$13,540	\$15,233	\$8,463	\$16,925	\$10,155	\$16,925
2035	\$7,010,000	\$15,773	\$13,319	\$14,020	\$14,020	\$15,773	\$8,763	\$17,525	\$10,515	\$17,525
2036	\$7,255,000	\$16,324	\$13,785	\$14,510	\$14,510	\$16,324	\$9,069	\$18,138	\$10,883	\$18,138
2037	\$7,510,000	\$16,898	\$14,269	\$15,020	\$15,020	\$16,898	\$9,388	\$18,775	\$11,265	\$18,775
2038	\$7,770,000	\$19,425	\$14,763	\$15,540	\$15,540	\$17,483	\$9,713	\$19,425	\$11,655	\$19,425
2039	\$8,040,000	\$20,100	\$15,276	\$16,080	\$16,080	\$18,090	\$10,050	\$20,100	\$12,060	\$20,100
2040	\$8,325,000	\$20,813	\$15,818	\$16,650	\$16,650	\$18,731	\$12,488	\$20,813	\$12,488	\$20,813
2041	\$8,615,000	\$21,538	\$16,369	\$17,230	\$17,230	\$19,384	\$12,923	\$21,538	\$12,923	\$21,538
2042	\$8,915,000	\$22,288	\$16,939	\$17,830	\$17,830	\$20,059	\$13,373	\$22,288	\$13,373	\$22,288
2043	\$9,230,000	\$23,075	\$17,537	\$18,460	\$18,460	\$20,768	\$13,845	\$23,075	\$13,845	\$23,075
2044	\$9,550,000	\$23,875	\$18,145	\$19,100	\$19,100	\$21,488	\$14,325	\$23,875	\$14,325	\$23,875
2045	\$9,885,000	\$24,713	\$18,782	\$19,770	\$19,770	\$22,241	\$19,770	\$24,713	\$14,828	\$24,713
2046	\$10,230,000	\$25,575	\$19,437	\$20,460	\$20,460	\$23,018	\$20,460	\$25,575	\$15,345	\$25,575
2047	\$10,590,000	\$26,475	\$20,121	\$21,180	\$21,180	\$23,828	\$21,180	\$26,475	\$15,885	\$26,475
2048	\$10,960,000	\$30,140	\$20,824	\$21,920	\$21,920	\$24,660	\$21,920	\$27,400	\$16,440	\$27,400
2049	\$11,345,000	\$31,199	\$21,556	\$22,690	\$22,690	\$25,526	\$22,690	\$28,363	\$17,018	\$28,363
2050	\$11,740,000	\$32,285	\$22,306	\$23,480	\$23,480	\$26,415	\$29,350	\$29,350	\$17,610	\$29,350
2051	\$12,150,000	\$33,413	\$23,085	\$24,300	\$24,300	\$27,338	\$30,375	\$30,375	\$18,225	\$30,375
2052	\$12,575,000	\$34,581	\$23,893	\$25,150	\$25,150	\$28,294	\$31,438	\$31,438	\$18,863	\$31,438

Total Dollars (Calculated by PFM)	\$544,524	\$427,500	\$450,000	\$450,000	\$506,250	\$377,748	\$542,503	\$337,500	\$562,500
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Rank	8	3	4	4	6	2	7	1	9
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Average Takedown (Calculated by PFM)	\$2.42	\$1.90	\$2.00	\$2.00	\$2.25	\$1.68	\$2.41	\$1.50	\$2.50
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Greater Asheville Regional Airport Authority

Summary of Responses to RFP for Underwriting Services

Prepared 11/23/2021

	<u>BofA</u>	<u>Citi</u>	<u>JP Morgan</u>	<u>Morgan Stanley</u>	<u>Piper Sandler</u>
A. QUALIFICATION OF THE RESPONDENT					
1. Name and address of firm	BofA Securities, Inc. One Bryant Park, 12th Floor New York, NY 10036	Citigroup Global Markets Inc. 227 W. Monroe St, 25th floor Chicago, IL 60606	J.P. Morgan Securities LLC 383 Madison Avenue, 3rd Floor New York, NY 10179	Morgan Stanley & Co. LLC 1585 Broadway, 16th Floor New York, NY 10036	Piper Sandler & Co. 3 Bethesda Metro Center, Suite 700 Bethesda, MD 20814
Name and telephone number of key contact	Cory Czyzewski (646) 743-1324	Lori Small (847) 507-2465	J.T. Knadler (212) 622-7000	Ira Smelkinson (212) 761-9059	John B. Coan 202-809-1741
Preferred role	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Manager
2. Introduction to firm	global leader in wealth management, corporate and investment banking. #1-ranked senior manager of all municipal issues nationally in each of the last nine years. Since 2017, senior managed 44 negotiated airport transactions: \$15 billion with a market share of 19%. extensive experience bringing inaugural credits and reintroducing airport credits Case Studies: - Oklahoma City Airport (2020) - Myrtle Beach International Airport (2021) \$13.4 billion of net capital that supports muni underwriting	Global financial institution. #1 or #2 underwriter of negotiated municipal bonds in 20 of the past 22 years. \$35 billion of allocated resources and 270 muni securities professionals. 112 public finance bankers located in 16 public finance offices nationwide Over the last three years was the #1 underwriter of airport bonds overall, senior managing over \$17.8 billion in par. Longest standing group dedicated to aviation finance in the industry. Case Studies for: Ford International Airport, Rhode Island Airport Corporation, ACAA, BWIA, Salt Lake City, New Orleans	Global financial services company, 165,000 U.S. and 255,000 global employees. Public Finance: 156 professionals in 16 offices. In 2020, ranked as the #1 manager/bookrunner of all municipal debt nationwide. Since 2017, has served as senior manager on 35 airport financings for a total par of \$9.1 billion and as co-manager on 69 financings for a total par of \$13.1 billion. Since the pandemic, lent over \$1 billion to airport credits through lines of credit, letters of credit and DPs Case Experience for: - Oklahoma City Airport - Lexington Bluegrass Airport - Buffalo Niagara International Airport.	Founded in 1935. Top 5 firm in underwriting fixed income securities. Over 55,000 employees, 40 countries, 765 offices. In 2020, senior managed 353 long-term transactions: \$34.7 billion in par amount, a SDC market share of 7.7% that ranked fourth nationally. 2020 and 2021 YTD: #2 senior managing underwriter of airport bonds, having served as senior manager for airport issuances totaling \$3.8 billion in aggregate par, a 14.8% market share. Case Studies for Albany County Airport Authority (2021) and Syracuse Regional Airport Authority (2019-2020)	Founded in 1895. 59 investment bankers in 40 offices; From 2016 to 2020, have senior or sole managed 3,215 negotiated and privately placed long-term transactions with par of \$75.1 billion. Case Studies: - Birmingham Airport Authority (2020) - Minneapolis-St. Paul Metropolitan Airports (2019) - Airport Authority of the City of Omaha (2017) Cites John Coan's small hub senior manager experience
3. Disclose any conflicts of interest, including: - Pending or completed investigations in last 5 years - Any relationships with individual, organization, or firm that may be party to Authority financing - Litigation between firm and the State or related entities	To the best of our knowledge at this time, we are not aware of any actual or potential conflicts of interest that could negatively impact the provision of our services as contemplated herein.	Best of knowledge, not aware of any actual or potential conflicts of interest. From time to time, subject to inquiries and investigations, check 10-K, 10-Qs and 8-Ks for more information See regulatory filings and quarterly reports.	To the best of our knowledge and belief, there are no conflicts of interest that may arise as a result of J.P. Morgan being selected for this transaction.	See MS SEC 10-K filings Morgan Stanley does not anticipate any relationship, contractual or otherwise, with any individual, organization or firm that may be a party to the GARAA financing, and consequently does not anticipate a related conflict of interest.	no reason to believe that current and past regulatory matters or litigation will affect in any way our ability to provide any of the services
4. Proposed underwriter's counsel and fee	Pope Flynn Matt Davis not to exceed \$50,000 Parker Poe Adams & Bernstein LLP Scott Leo \$35,000	Parker Poe Adams & Bernstein LLP Scott Leo not to exceed \$35,000 McGuireWoods LLP Kay McNab not to exceed \$55,000	Parker Poe Adams & Bernstein LLP Scott Leo not to exceed \$35,000 McGuireWoods LLP Mary Nash Rusher not to exceed \$60,000	Parker Poe Adams & Bernstein LLP Scott Leo not to exceed \$35,000 McGuireWoods LLP Mary Nash Rusher not to exceed \$55,000	Pope Flynn Matt Davis not to exceed \$50,000 Parker Poe Adams & Bernstein LLP Scott Leo \$50,000
5. Negotiated GARB financings since 1/1/2017 - Senior Manager - Co-Manager	39 issues, \$19.7 billion 68 issues, \$18.2 billion	32 issues, \$18.7 billion 33 issues, \$14.2 billion	37 issues, \$10 billion 68 issues, \$12.9 billion	53 issues, \$9.9 billion 64 issues, \$18.5 billion	8 issues, \$496 million 18 issues, \$5.6 billion

	<u>BofA</u>	<u>Citi</u>	<u>JP Morgan</u>	<u>Morgan Stanley</u>	<u>Piper Sandler</u>
B. QUALIFICATIONS OF THE INDIVIDUALS ASSIGNED TO THE ENGAGEMENT					
1. Lead representative and team	Cory Czyzewski (Lead) Scott Detar Matthew Jiang	Lori Small (Lead) Neal Atterman Andrew Liou	J.T. Knadler (Lead) Kent Lawrence	Ira Smelkinson (Lead) Ayanna Louis-Charles Marisa Berry	John Coan (Lead) Joe Niggel Chris Destefano
2. References	Michael D. Hill Jr. (Charlotte Douglas International) Brian McGonagle (Southwest Florida International) Marge Basrai (Metropolitan Nashville Airport Authority)	Matt Zeilstra (Gerald R. Ford International) Giedre Ball (Metropolitan Washington Airports Authority) Amber Hunt (WCAA)	Tara Summerlin (Will Rogers World Airport) Don Sever (Blue Grass Airport) Ross Jones (Jacksonville Aviation Authority)	Robin Watkins (SRAA) John Green (KCIA) John Schubert (Ontario International Airport Authority)	Atif Saeed (Minneapolis-St. Paul Metropolitan Airports Commission) Stan Kathol (Omaha Airport Authority) Ron Mathieu (Birmingham Airport Authority)
C. UNDERSTANDING OF KEY ISSUES					
1. Describe what you view as the challenges the Authority may encounter in the process of obtaining rating(s) for its Bonds. 1. What issues would you recommend be addressed and what points should be emphasized in order to receive the highest possible ratings for these bonds. Notes	Challenges: -size of its air service area, - market position - expected upcoming debt issuance - demonstrated growth in enplanements/ local economy - emphasize Hensel Phelps extensive experience - formalize financial debt policy and liquidity targets - agreement w/ airlines before financing will be a credit + - discuss financial arrangements in the GMP package - seasoned management team that has successfully delivered Project SOAR	1) affordability of the relatively large finance plan; 2) impact on airline rates and charges; and 3) construction related considerations. Key mitigating factors for the Authority are strength of the service area, enplanement growth, liquidity and CPE. Recommend: - Airline letters of support or meeting attendance - Consider amendments to trust indenture - Discussion of Guaranteed Maximum Price contracts	- Is AVL's growth sustainable? - Can tenants support cost of AVL Forward? - Will Allegiant's commitment to AVL continue? - Will service area continue to thrive? - How is AVL mitigating the risk of cost overruns? - AVL's Competitive Position Has Been Time Tested - Allegiant's 9th Largest and Largest Growing Airport - Directly Address Allegiant Network Strategy Risk. - Strong Local Economy - Minimal nearby competition - AVL Forward Will Enhance Non-Airline Revenue -The Component Guaranteed Maximum Price Approach to Contracting Can Limit Construction Risk. - Detailed discussion of which rating agencies to consider - Comparison of AVL with peer group	- Recovery from COVID-19. - Authority Liquidity Position. - Challenges Related to New Terminal/Capital Needs. - Challenges Related to Potential Inflation Resulting in higher interest rates and cost of construction materials. Opportunity to Make Modifications to the Existing Bond Indenture. Consistent credit message that highlights: - Stable Market Position - Strong Demographic Area - Strong and Proactive Management Team - Effective Use of Federal Grants during covid recovery - Moody's scorecard supports an 'A' category rating - Designated Credit and Investor Group	Focus on: ability of market area to drive demand for air service; airlines' willingness/ commitment to provide air service; AVL's ability to manage financial operations; financial risks facing AVL through long-term obligations. Tweaks to trust indenture: - make funding the reserve optional - allow DS to increase by 5% w/o feasibility study -Let ABT use transfers from the Surplus Fund - Let O&M reserve to pay any shortfall in debt service
2. Describe the marketing strategies that you would propose	In-depth review and educational outreach to the investor community Canvas current holders of Airport, AMT, and North Carolina bonds two weeks between posting the POS and pricing; Notice of Potential Financing on EMMA a few weeks prior Internet Investor Presentation, and Consider Promo Video/ 1:1 calls To Consider: Coupon Diversity, Call Option Flexibility, Green Bonds / Green Evaluation, Bond Insurance, Other financing options	Target holders of Airport, AMT and North Carolina revenue bond debt with investor calls and 1:1 meetings Use Citi's comprehensive distribution system: institutional salesforce and retail network to target institutional and professional retail (primary drivers) Engage investors early, proactive communication and early syndicate conference call Utilize Citi's Investor Targeting Algorithm to Identify Investor and Drive Down All-In Cost of Borrowing Large distribution and agreement w/ Fidelity	Step-by-step marketing process beginning w. EMMA; Online Investor Presentation Outline (provided); JPM Transportation & Utility Investor Forum. Identify and target institutional investors: Top National Airport and North Carolina Bondholders Use JPM's Institutional and Retail distribution platform Structuring Considerations: LOC or BAN, Short Call options, Put Bonds, Longer term amortization, Bond insurance and surety policies Identify investors who are likely to place anchor orders early on and position syndicate desk; Commit Capital	5-step strategy: Position the Credit, Identify Key Investors, Execute Marketing Plan, Transparent Pricing Process, Commit Capital Post POS early; online investor roadshow; target key institutional investors for follow up dialogue; retail-targeted priority policies Consider structuring around Series 2016 and/or cash optimization; Consider surety policy and bond insurance Utilize MS industry-leading institutional sales force, supplemented by the MSWM retail system	Address investors lack of familiarity: Post OS up to 3 weeks pre sale; offer Net Roadshow; offer 1:1 calls Target Large Buyers of Airport and North Carolina Bonds; Target Investors by Maturity Preferences Recommends a late February or late April/May sale Detailed weekly schedule and structuring analysis with 4% coupons and level, wrap and proportional structure Distribution agreement with Charles Schwab

	<u>BofA</u>	<u>Citi</u>	<u>JP Morgan</u>	<u>Morgan Stanley</u>	<u>Piper Sandler</u>
D. FEES					
1. Summary of proposed fees					
Takedowns by maturity	2026: \$1.50 2027: \$1.75 2028-2032: \$2.00 2033-2037: \$2.25 2038-2047: \$2.50 2048-2052: \$2.75	\$1.90	\$2.00	\$2.00	\$2.25
Average takedown	\$2.45	\$1.90	\$2.00	\$2.00	\$2.25
Proposed management fee	None	None	None	None	None
Expenses (Includes UW Counsel)	\$79,522	\$72,620	\$56,865	\$87,838	\$78,728

Greater Asheville Regional Airport Authority

Summary of Responses to RFP for Underwriting Services

Prepared 11/23/2021

	<u>Raymond James</u>	<u>Siebert</u>	<u>UBS</u>	<u>Wells Fargo</u>
A. QUALIFICATION OF THE RESPONDENT				
1. Name and address of firm	Raymond James & Associates 5820 Patterson Ave., Second Floor Richmond, VA 23226	Siebert Cisneros Shank & Co 100 Wall Street, 18th Fl New York, NY 10005	UBS Financial Services Inc. 1285 Avenue of the Americas, 13th Floor New York, NY 10019	Wells Fargo Bank, N.A. 550 S. Tryon Street, 6th Floor, Charlotte, North Carolina 28202
Name and telephone number of key contact	D.J. Mehigan (804) 225-1147	Sewon Kim (646) 775-4859	Michael Lexton (212) 821-2679	Edward Boyles (704) 906-4392
Preferred role	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Senior or Co-Manager	Senior Manager Willing to be Co-Manager	Senior Manager Willing to be Co-Manager
2. Introduction to firm	Founded in 1962; 20,000 employees, public company since 1983; 169 public finance professionals in 34 locations. 16 municipal underwriters, 50 municipal traders, 181 fixed income institutional generalists; in 2020, ranked No. 4 in U.S. with 686 senior managed	Founded in 1996, Ranked 13th nationally as senior manager and the #1 M/WBE. 130 Employees, 46 are municipal bankers and 34 are underwriting, sales & trading professionals, across 19 offices.	70,000 employees globally. \$2.7 trillion of assets under management globally, including \$1.3 trillion in the United States. 105 public finance bankers located in 14 offices.	- 12 public finance offices with 142 employees - Equity Capital of \$171 billion - Top 6 National Underwriter of Municipal Securities: 260 issues, \$26.6 billion in par in 2020
Relevant Airport Experience and Small Hub Airport Experience	Started a dedicated Airport Group in 2004 and we have senior managed 115 airport transactions since then. 60% of 50 senior managed transactions were with small hub airports. Case Studies for: - Memphis International Airport - Norfolk International Airport - Richmond International Airport - Boise Airport	For 2020-2021 YTD, SWS ranked 5th as senior manager (#1 M/WBE) for negotiated airport transactions nationally. Senior Managed Bond Buyer's 2020 Deal of the Year Award for the Southwest Region. \$37 billion in negotiated airport transactions over last 5 years: \$6.0 billion as senior managing underwriter.	Case Study for: - Portland International Jetport	Since January 1, 2017, senior managed 7 negotiated airport revenue bond financings totaling over \$2.6 billion in par and co-managed 23 airport revenue bond issuances, totaling over \$10.1 billion in par Case Studies: Las Vegas-McCarran International (2019), Austin-Bergstrom International (2021), Metropolitan Washington Airports Authority (2019)
3. Disclose any conflicts of interest, including: - Pending or completed investigations in last 5 years - Any relationships with individual, organization, or firm that may be party to Authority financing - Litigation between firm and the State or related entities	i) To the best of our knowledge, there are no regulatory or litigation matters pending that would impair ability to perform the requested services. ii) Best of knowledge, no business activities that we undertake that would create a conflict of interest iii) Best of knowledge, no litigation between Raymond James and the State of North Carolina or related entities.	Selected to provide info to FINRA as part of regulatory sweep re: Special Purpose Acquisition Companies. SWS affiliate, a registered investment advisor, has three sub-advisory agreements with PFM Asset Management. Affiliate's business is separate from SWS' business No litigation between SWS and the State of North Carolina or related entities.	Bes of knowledge, unaware of any existing or potential conflicts of interest UBS Group AG (parent company) is subject to wide range of regulatory oversight. Check FINRA broker check for more information.	i) Please see Appendix A for WFBNA's Litigation Statement. ii) Please see Appendix B for a conflicts of interest disclosure. iii) None, to the best of our knowledge.
4. Proposed underwriter's counsel and fee	Butler Snow LLP Kevin A. White \$20,000 Pope Flynn Bill Musser \$50,000	Parker Poe Adams & Bernstein LLP Rebecca Joyner not to exceed \$35,000 McGuireWoods LLP Lisa Medina Williams not to exceed \$60,000	Parker Poe Adams & Bernstein LLP Scott Leo not to exceed \$55,000 McGuireWoods LLP Mary Nash Rusher not to exceed \$55,000	Pope Flynn, LLC Matt Davis not to exceed \$50,000 Robinson Bradshaw Brandon Lofton \$25,000
5. Negotiated GARB financings since 1/1/2017 - Senior Manager - Co-Manager	18 issues, \$1.4 billion 54 issues, \$13.4 billion	28 issues, \$6.6 billion 83 issues, \$22.6 billion	25 issues, \$9.4 billion; mostly prior firms' experience 42 issues, \$10.4 billion; mostly prior firms' experience	7 issues, \$2.6 billion 23 issues, \$10.2 billion

	Raymond James	Siebert	UBS	Wells Fargo
B. QUALIFICATIONS OF THE INDIVIDUALS ASSIGNED TO THE ENGAGEMENT				
1. Lead representative and team	D.J. Mehigan (Lead) Rachel Adams Jock Wright (underwriter)	Sewon Kim (Lead) Annie Hardy Drew Gurley (underwriter)	Michael Lexton (Lead) Chris Bergstrom Kristin Stephens	Edward Boyles (Lead) Kevin Carney (Lead) Conner Ferrell
2. References	Forrest Artz (Memphis Airport) Kathleen Watkins (Boise Airport) Jarred Roenker (Norfolk Airport Authority)	Chris Poinatte (DFW) Amber Hunt (WCAA) Ron Kapocius (Raleigh-Durham Airport Authority)	Paul Bradbury (Portland, ME Airport) Candace McGraw (Cincinnati/Northern Kentucky International Airport) Kathleen Sharman (Greater Orlando Aviation Authority)	W. Scott Powell (MSD of Buncombe County) Kevin Baker (Piedmont Triad Airport Authority) Joseph Piurkowski (Las Vegas McCarran International)
C. UNDERSTANDING OF KEY ISSUES				
Describe what you view as the challenges the Authority may encounter in the process of obtaining rating(s) for its Bonds.	- Current DPE well below S&P A-rated median of \$147 and Moody's A-rated median of \$133 (will be rising to well over \$250) - Rates by Ordinance arrangement (lack of a long-term airline agreement with the carriers) could be considered a concern	- Negative Effects of COVID-19 Pandemic on the Authority - Significant Borrowing Needs to Fund Terminal Project - High Primary Carrier Concentration (Allegiant Air ~50%)	Could be viewed as a BBB credit - macro headwinds at a sector level from a world-historic disruption to air travel for over 18 months - size and financial impact of the Authority's terminal modernization program.	- managing the financial implications of executing the terminal building expansion and modernization - addressing the current level of passenger activity at the airport given the effects of COVID-19 and what the rate of recovery will look like in the future.
1. What issues would you recommend be addressed and what points should be emphasized in order to receive the highest possible ratings for these bonds.	Emphasize credit positives including strong metrics Tweak the definition of Revenues to allow grants from the fed gov to be used to pay debt service	Presentation should address 1) how COVID-19 has impacted the Authority, 2) what actions its management has taken to shore up its operations, 3) explains how the Authority is managing its debt and liquidity, and 4) closes by reinforcing the fundamental strengths of the Authority and its service area economy.	- Robust traffic growth is driven by economic fundamentals - Air service is reflective of the industry's future service profile - terminal investments have a manageable financial impact.	- seek two ratings from Moody's, S&P or Fitch: detailed scorcard and approach for each
Notes	Comparison of key AVL metrics and Moody's A-rated medians Two ratings is sufficient; discussion of each agency	Suggest Considering Kroll Rating. Provides detailed outline for credit presentation, including mitigants for all credit concerns. AVL well poised to achieve A rating.		
2. Describe the marketing strategies that you would propose	- Dual-approach marketing strategy should be taken to highlight (1) the Project and (2) emphasize AVL's growth and credit strengths - relay important milestones of project to investors 5 step plan: - On-site Tour and Presentation, if of interest - Video Teleconference and Syndicate Strategy - Local and National Print Advertising - Institutional Investor Presentation - 1:1 meetings Detailed weekly schedule and structuring analysis including lower coupon bonds and shorter call dates	3 step strategy: Early promotion of the sale, Investor Targeting of potential buyers to start building momentum, Managing the Sale through flexible timing, structuring, and syndicate policy Release POS at least 7 business days prior to pricing to allow sufficient marketing time and 1:1 calls w/ investors Market different coupon structures, including par-ish or sub-5% coupon structures for insurance companies or short callable structures for bond funds Treat all professional retail orders as net designated to incentive syndicate to support these investors	Very detailed marketing plan with week-week breakdown Structuring analysis and suggestion of deferred principle. "Growth Based Debt Service Structure" comprehensive retail marketing campaign 39 institutional sales professionals, including 17 that actively cover Tier 1 institutional investors. Target Large holders of other North Carolina Airport Revenue Bonds	Monitor primary markets for competing deals/Economic calendar for important market reports. Active Communication with the Wells Fargo Sales Force and Underwriting Syndicate. Utilize fully-integrated, multi-channel, nationwide retail and institutional distribution network Host a Net Roadshow and Investor Calls Tier 1: 13 municipal sales professionals; 3 offices Middle Market: 78 sales professionals in 17 offices Retail Sales: 3rd largest brokerage - Explore lower couponing and shorter calls

	<u>Raymond James</u>	<u>Siebert</u>	<u>UBS</u>	<u>Wells Fargo</u>
D. FEES				
1. Summary of proposed fees				
Takedowns by maturity	2026-2039: \$1.25 2040-2044: \$1.50 2045-2049: \$2.00 2050-2052:\$2.50	2026-2032: \$2.00 2033-2052: \$2.50	\$1.50	\$2.50
Average takedown	\$1.695	\$2.43	\$1.50	\$2.50
Proposed management fee	None	None	None	None
Expenses (Includes UW Counsel)	\$45,477	\$69,639	\$74,695	\$47,352



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: December 10, 2021

ITEM DESCRIPTION – Information Section Item A

October, 2021 Traffic Report – Asheville Regional Airport

SUMMARY

October, 2021 overall passenger traffic numbers were up 118.7% compared to the same period last year. Passenger traffic numbers reflect a 121.4% increase in passenger enplanements from October, 2020. Enplanements for Fiscal Year to Date total 318,147, which is a 161.5% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in October 2021 were up by 103.8%. There were three flight cancellations for the month.

American Airlines: American's October 2021 passenger enplanements represent a 108.0% increase over the same period last year. There were three flight cancellations for the month.

Delta Airlines: Enplanements for Delta in October 2021 increased by 155.9%. There were no flight cancellations for the month.

United Airlines: In October 2021, United Airlines saw an increase in enplanements by 183.1% over the same period last year. There were seven flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

October 2021



Category	Oct 2021	Oct 2020	Percentage Change	*CYTD-2021	*CYTD-2020	Percentage Change	*MOV12-2021	*MOV12-2020	Percentage Change
Passenger Traffic									
Enplaned	85,762	38,732	121.4%	587,296	290,061	102.5%	651,643	429,956	51.6%
Deplaned	<u>85,714</u>	<u>39,684</u>	116.0%	<u>584,163</u>	<u>286,910</u>	103.6%	<u>647,817</u>	<u>428,043</u>	51.3%
Total	171,476	78,416	118.7%	1,171,459	576,971	103.0%	1,299,460	857,999	51.5%
Aircraft Operations									
Airlines	1,280	1,016	26.0%	11,959	7,376	62.1%	13,924	9,791	42.2%
Commuter/ Air Taxi	<u>1,609</u>	<u>911</u>	76.6%	10,869	6,275	73.2%	12,109	7,978	51.8%
Subtotal	<u>2,889</u>	<u>1,927</u>	49.9%	<u>22,828</u>	<u>13,651</u>	67.2%	<u>26,033</u>	<u>17,769</u>	46.5%
General Aviation	3,566	3,683	-3.2%	37,339	32,294	15.6%	44,066	39,556	11.4%
Military	<u>404</u>	<u>264</u>	53.0%	<u>3,393</u>	<u>1,713</u>	98.1%	<u>4,007</u>	<u>2,256</u>	77.6%
Subtotal	<u>3,970</u>	<u>3,947</u>	0.6%	<u>40,732</u>	<u>34,007</u>	19.8%	<u>48,073</u>	<u>41,812</u>	15.0%
Total	6,859	5,874	16.8%	63,560	47,658	33.4%	74,106	59,581	24.4%
Fuel Gallons									
100LL	16,380	15,864	3.3%	152,366	119,864	27.1%	176,318	145,566	21.1%
Jet A (GA)	253,581	185,812	36.5%	1,584,789	985,066	60.9%	1,816,398	1,185,380	53.2%
Subtotal	<u>269,961</u>	<u>201,676</u>	33.9%	<u>1,737,155</u>	<u>1,104,930</u>	57.2%	<u>1,992,716</u>	<u>1,330,946</u>	49.7%
Jet A (A/L)	<u>742,057</u>	<u>434,589</u>	70.7%	<u>6,503,772</u>	<u>3,333,358</u>	95.1%	<u>7,318,859</u>	<u>4,579,531</u>	59.8%
Total	1,012,018	636,265	59.1%	8,240,927	4,438,288	85.7%	9,311,575	5,910,477	57.5%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Monday, November 22, 2021

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

October 2021



	Oct 2021	Oct 2020	Percentage Change	*CYTD-2021	*CYTD-2020	Percentage Change
Allegiant Air						
Enplanements	40,366	19,809	103.8%	273,223	137,071	99.3%
Seats	50,991	32,265	58.0%	396,972	226,188	75.5%
Load Factor	79.2%	61.4%	28.9%	68.8%	60.6%	13.6%
American Airlines						
Enplanements	21,598	10,386	108.0%	161,028	80,212	100.8%
Seats	26,726	13,848	93.0%	221,727	137,575	61.2%
Load Factor	80.8%	75.0%	7.8%	72.6%	58.3%	24.6%
Delta Air Lines						
Enplanements	13,434	5,249	155.9%	96,585	46,106	109.5%
Seats	15,370	10,826	42.0%	140,486	90,017	56.1%
Load Factor	87.4%	48.5%	80.3%	68.8%	51.2%	34.2%
Spirit Airlines						
Enplanements	0	0	#Num!	0	5,505	-100.0%
Seats	0	0	#Num!	0	10,614	-100.0%
Load Factor	#Num!	#Num!	#Type!	#Num!	51.9%	#Type!
Sun Country						
Enplanements	1,056	0	#Div/0!	1,056	0	#Div/0!
Seats	1,488	0	#Div/0!	1,488	0	#Div/0!
Load Factor	71.0%	#Num!	#Type!	71.0%	#Num!	#Type!
United Airlines						
Enplanements	9,308	3,288	183.1%	55,404	21,167	161.7%
Seats	10,550	5,700	85.1%	71,526	45,008	58.9%
Load Factor	88.2%	57.7%	52.9%	77.5%	47.0%	64.7%

Monday, November 22, 2021

*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

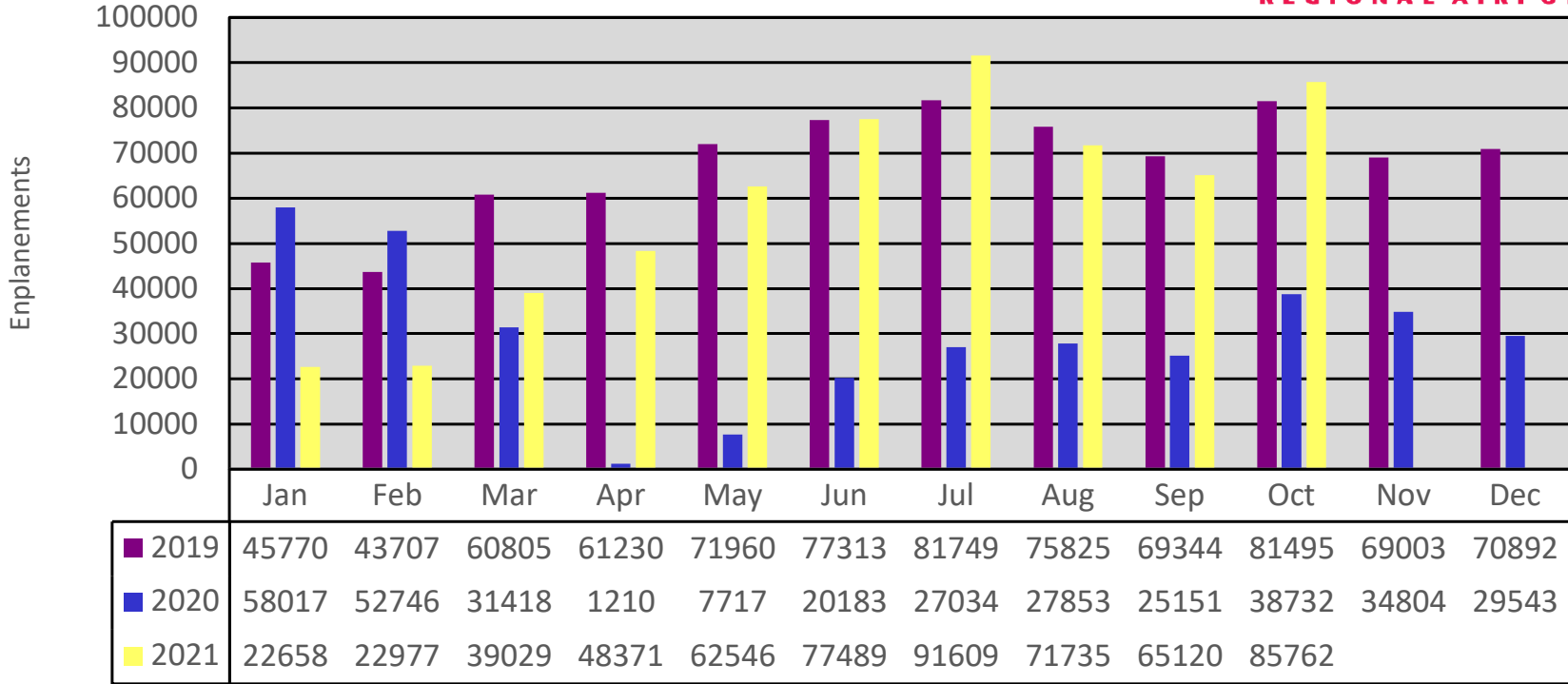
	Oct 2021	Oct 2020	Percentage Change	*CYTD-2021	*CYTD-2020	Percentage Change
Totals						
Enplanements	85,762	38,732	121.4%	587,296	290,061	102.5%
Seats	105,125	62,639	67.8%	832,199	509,402	63.4%
Load Factor	81.6%	61.8%	31.9%	70.6%	56.9%	23.9%

Airline Flight Completions Asheville Regional Airport October 2021

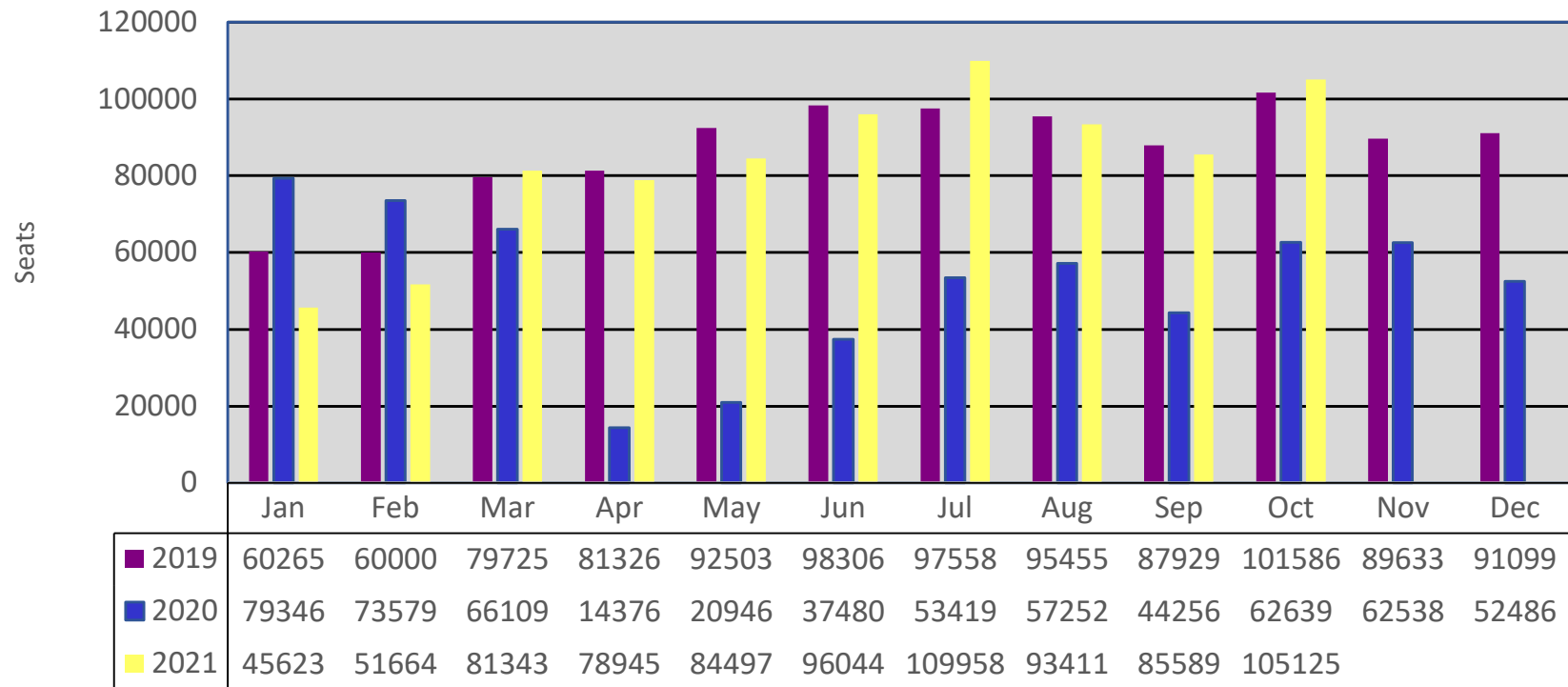


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	281	0	0	0	3	3	98.9%
American Airlines	368	0	1	2	0	3	99.2%
Delta Air Lines	149	0	0	0	0	0	100.0%
Sun Country	8	0	0	0	0	0	100.0%
United Airlines	217	0	7	0	0	7	96.8%
Total	1,023	0	8	2	3	13	98.7%

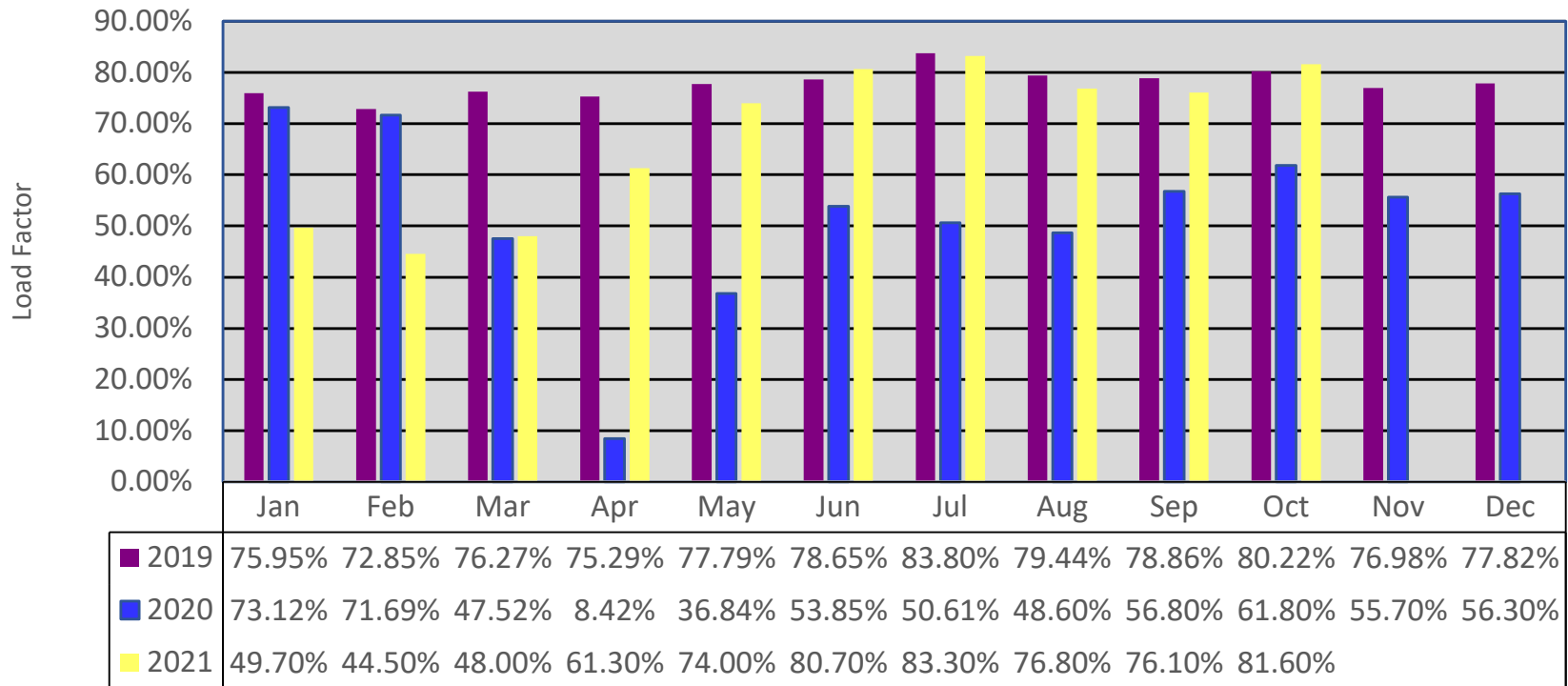
Monthly Enplanements By Year Asheville Regional Airport



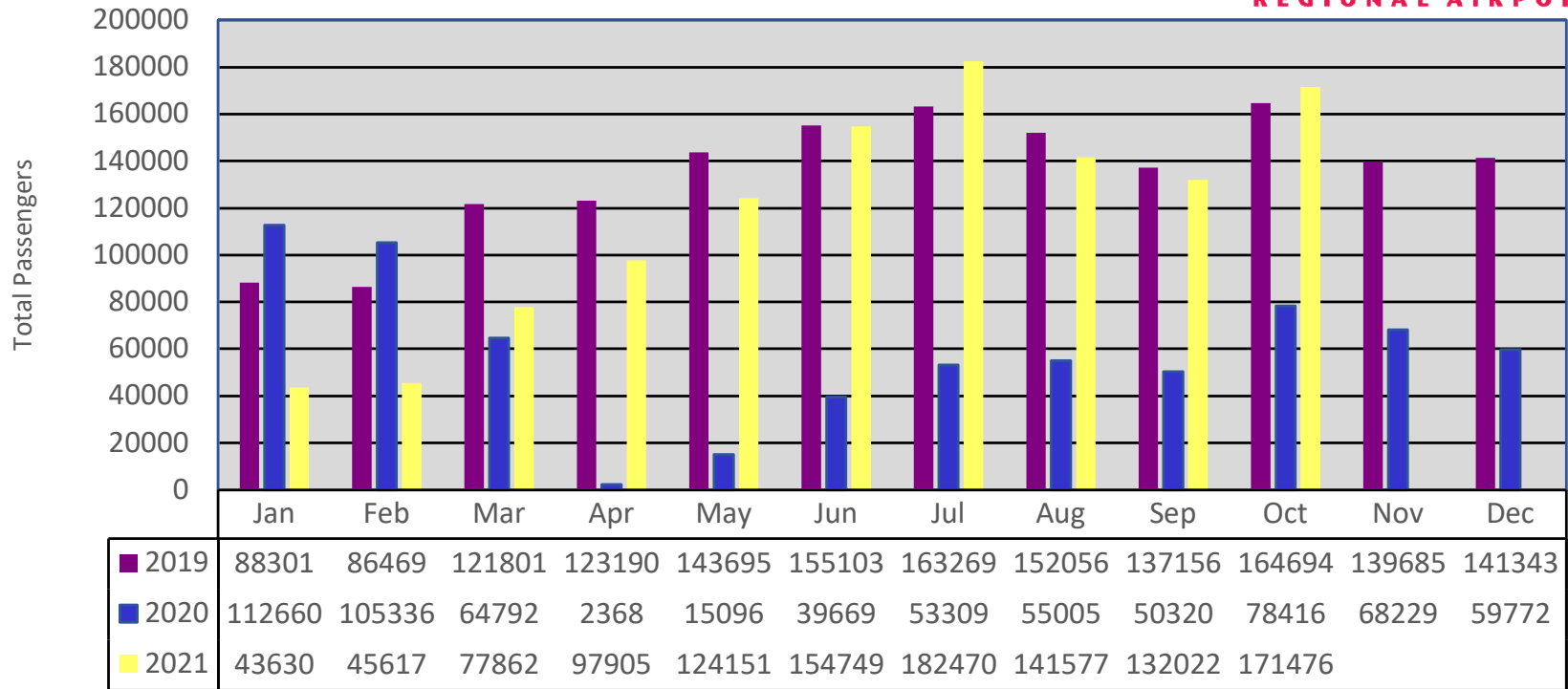
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

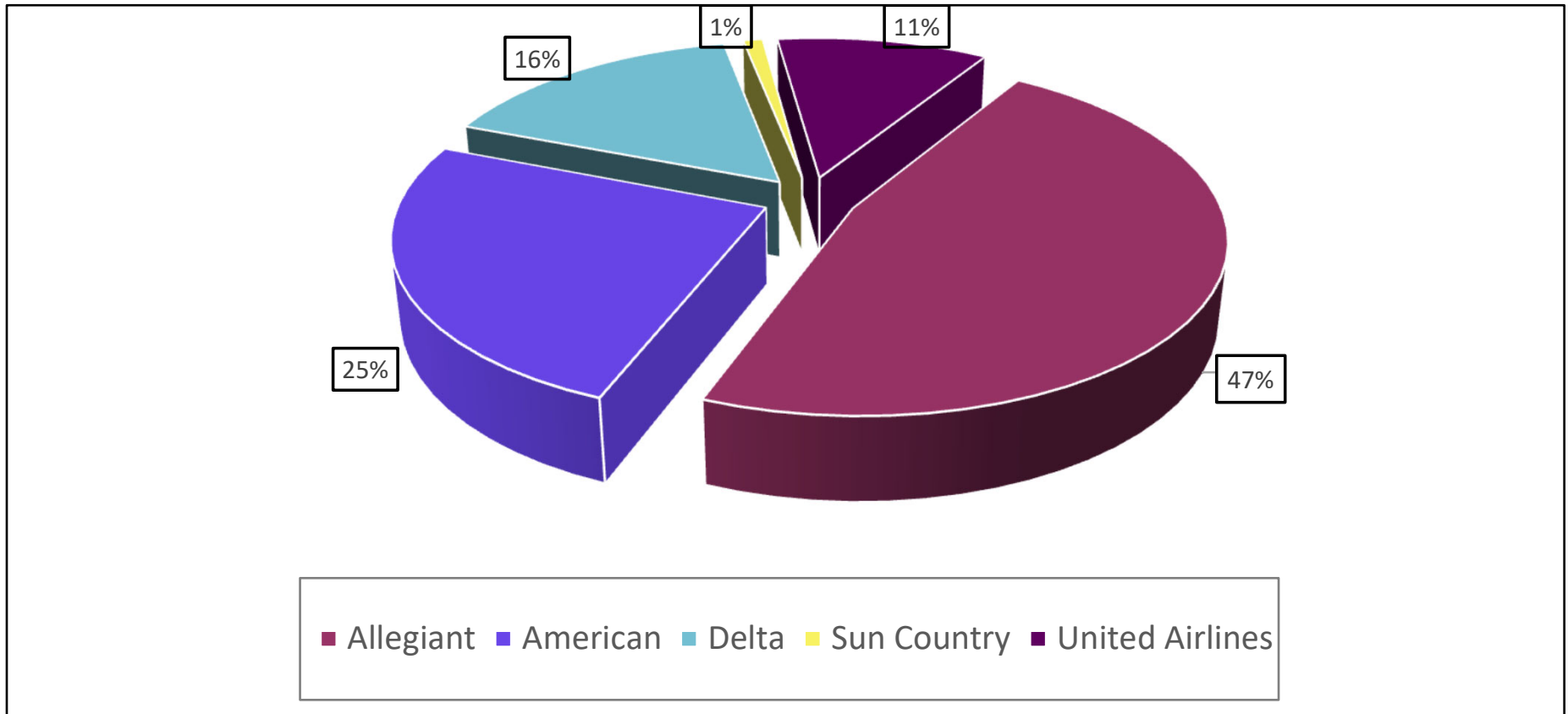


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From October 2021 Through October 2021



AVL - Three month schedule Summary Report

January 2022 to March 2022 vs. January 2021 to March 2021 vs. January 2020 to March 2020

29-Nov-21

Mkt AI	Travel Period		Jan 2022		Jan 2021		Jan 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL CLT	41	3,039	39	2,821	54	3,358	2	218	5.1%	7.7%	(13)	(319)	(24.1%)	(9.5%)
AA	CLT-AVL	CLT AVL	41	3,039	39	2,832	53	3,325	2	207	5.1%	7.3%	(12)	(286)	(22.6%)	(8.6%)
AA	AVL-DCA	AVL DCA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	DCA-AVL	DCA AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-DFW	AVL DFW	7	532	7	532	9	684	0	0	0.0%	0.0%	(2)	(152)	(22.2%)	(22.2%)
AA	DFW-AVL	DFW AVL	7	532	7	532	9	652	0	0	0.0%	0.0%	(2)	(120)	(22.2%)	(18.4%)
AA	AVL-LGA	AVL LGA	0	0	0	0	2	152	0	0	-	-	(2)	(152)	(100.0%)	(100.0%)
AA	LGA-AVL	LGA AVL	0	0	0	0	2	152	0	0	-	-	(2)	(152)	(100.0%)	(100.0%)
AA	AVL-ORD	AVL ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL PHL	0	0	0	0	7	521	0	0	-	-	(7)	(521)	(100.0%)	(100.0%)
AA	PHL-AVL	PHL AVL	0	0	0	0	7	521	0	0	-	-	(7)	(521)	(100.0%)	(100.0%)
DL	ATL-AVL	ATL AVL	32	3,520	32	2,276	47	3,134	0	1,244	0.0%	54.7%	(15)	386	(31.9%)	12.3%
DL	AVL-ATL	AVL ATL	32	3,520	32	2,276	47	3,100	0	1,244	0.0%	54.7%	(15)	420	(31.9%)	13.5%
DL	AVL-LGA	AVL LGA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	LGA-AVL	LGA AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AUS-AVL	AUS AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	AVL-AUS	AVL AUS	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BOS-AVL	BOS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-BWI	AVL BWI	0	0	0	0	1	177	0	0	-	-	(1)	(177)	(100.0%)	(100.0%)
G4	BWI-AVL	BWI AVL	0	0	0	0	1	177	0	0	-	-	(1)	(177)	(100.0%)	(100.0%)
G4	AVL-DEN	AVL DEN	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	DEN-AVL	DEN AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-EWR	AVL EWR	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	EWR-AVL	EWR AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	EYW AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	10	1,770	7	1,239	12	2,124	3	531	42.9%	42.9%	(2)	(354)	(16.7%)	(16.7%)
G4	FLL-AVL	FLL AVL	10	1,770	7	1,239	12	2,124	3	531	42.9%	42.9%	(2)	(354)	(16.7%)	(16.7%)
G4	AVL-HOU	AVL HOU	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	HOU-AVL	HOU AVL	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-LAS	AVL LAS	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	LAS-AVL	LAS AVL	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-MDW	AVL MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	MDW-AVL	MDW AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-MSP	AVL MSP	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	MSP-AVL	MSP AVL	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-PBI	AVL PBI	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	PBI-AVL	PBI AVL	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	AVL-PGD	AVL PGD	4	708	2	354	2	354	2	354	100.0%	100.0%	2	354	100.0%	100.0%
G4	PGD-AVL	PGD AVL	4	708	2	354	2	354	2	354	100.0%	100.0%	2	354	100.0%	100.0%
G4	AVL-PIE	AVL PIE	6	1,062	4	708	11	1,947	2	354	50.0%	50.0%	(5)	(885)	(45.5%)	(45.5%)
G4	PIE-AVL	PIE AVL	6	1,062	4	708	11	1,947	2	354	50.0%	50.0%	(5)	(885)	(45.5%)	(45.5%)
G4	AVL-SFB	AVL SFB	10	1,788	5	885	13	2,301	5	903	100.0%	102.0%	(3)	(513)	(23.1%)	(22.3%)
G4	SFB-AVL	SFB AVL	10	1,788	5	885	13	2,301	5	903	100.0%	102.0%	(3)	(513)	(23.1%)	(22.3%)
G4	AVL-SRQ	AVL SRQ	2	372	3	531	2	354	(1)	(159)	(33.3%)	(29.9%)	0	18	0.0%	5.1%
G4	SRQ-AVL	SRQ AVL	2	372	3	531	2	354	(1)	(159)	(33.3%)	(29.9%)	0	18	0.0%	5.1%
G4	AVL-VPS	AVL VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	VPS-AVL	VPS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	AVL-GSO	AVL GSO	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	AVL-MCO	AVL MCO	0	0	0	0	5	910	0	0	-	-	(5)	(910)	(100.0%)	(100.0%)
NK	MCO-AVL	MCO AVL	0	0	0	0	5	910	0	0	-	-	(5)	(910)	(100.0%)	(100.0%)
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	MSP AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	EWR-AVL	EWR AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	AVL-IAD	AVL IAD	7	350	11	550	14	700	(4)	(200)	(36.4%)	(36.4%)	(7)	(350)	(50.0%)	(50.0%)
UA	IAD-AVL	IAD AVL	7	350	12	600	14	700	(5)	(250)	(41.7%)	(41.7%)	(7)	(350)	(50.0%)	(50.0%)
UA	AVL-ORD	AVL ORD	14	700	7	350	14	700	7	350	100.0%	100.0%	0	0	0.0%	0.0%
UA	ORD-AVL	ORD AVL	14	700	7	350	14	700	7	350	100.0%	100.0%	0	0	0.0%	0.0%
Total			298	33,250	247	22,677	393	36,149	51	10,573	20.6%	46.6%	(95)	(2,899)	(24.2%)	(8.0%)

Mkt AI	Travel Period		Feb 2022		Feb 2021		Feb 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL CLT	44	3,267	39	2,865	54	3,342	5	402	12.8%	14.0%	(10)	(75)	-19%	-2%
AA	CLT-AVL	AVL CLT	44	3,267	39	2,865	54	3,342	5	402	12.8%	14.0%	(10)	(75)	-19%	-2%
AA	AVL-DCA	AVL DCA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	DCA-AVL	AVL DCA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-DFW	AVL DFW	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0%	0%
AA	DFW-AVL	AVL DFW	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0%	0%
AA	AVL-LGA	AVL LGA	0	0	0	0	2	152	0	0	-	-	(2)	(152)	-100%	-100%
AA	LGA-AVL	AVL LGA	0	0	0	0	2	152	0	0	-	-	(2)	(152)	-100%	-100%
AA	AVL-ORD	AVL ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	AVL ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL PHL	0	0	0	0	7	532	0	0	-	-	(7)	(532)	-100%	-100%
AA	PHL-AVL	AVL PHL	0	0	0	0	7	532	0	0	-	-	(7)	(532)	-100%	-100%
DL	ATL-AVL	AVL AVL	31	3,410	31	2,174	47	2,952	0	1,236	0.0%	56.9%	(16)	458	-34%	16%
DL	AVL-ATL	AVL ATL	31	3,410	31	2,174	47	2,952	0	1,236	0.0%	56.9%	(16)	458	-34%	16%
DL	AVL-LGA	AVL LGA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	LGA-AVL	AVL LGA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AUS-AVL	AVL AUS	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	AVL-AUS	AVL AUS	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BOS-AVL	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-BWI	AVL BWI	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BWI-AVL	AVL BWI	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-DEN	AVL DEN	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	DEN-AVL	AVL DEN	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-EWR	AVL EWR	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	EWR-AVL	AVL EWR	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	10	1,749	6	1,062	12	2,124	4	687	66.7%	64.7%	(2)	(375)	(16.7%)	(17.7%)
G4	FLL-AVL	AVL FLL	10	1,749	6	1,062	12	2,124	4	687	66.7%	64.7%	(2)	(375)	(16.7%)	(17.7%)
G4	AVL-HOU	AVL HOU	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	HOU-AVL	AVL HOU	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-LAS	AVL LAS	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	LAS-AVL	AVL LAS	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-MDW	AVL MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	MDW-AVL	AVL MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-MSP	AVL MSP	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	MSP-AVL	AVL MSP	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-PBI	AVL PBI	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	PBI-AVL	AVL PBI	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	AVL-PGD	AVL PGD	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	PGD-AVL	AVL PGD	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	AVL-PIE	AVL PIE	6	1,062	4	708	11	1,947	2	354	50.0%	50.0%	(5)	(885)	(45.5%)	(45.5%)
G4	PIE-AVL	AVL PIE	6	1,062	4	708	11	1,947	2	354	50.0%	50.0%	(5)	(885)	(45.5%)	(45.5%)
G4	AVL-SFB	AVL SFB	10	1,728	4	708	13	2,310	6	1,020	150.0%	144.1%	(3)	(582)	(23.1%)	(25.2%)
G4	SFB-AVL	AVL SFB	10	1,728	4	708	13	2,310	6	1,020	150.0%	144.1%	(3)	(582)	(23.1%)	(25.2%)
G4	AVL-SRQ	AVL SRQ	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	SRQ-AVL	AVL SRQ	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	AVL-VPS	AVL VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	VPS-AVL	AVL VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	AVL-GSO	AVL GSO	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	AVL-MCO	AVL MCO	0	0	0	0	5	910	0	0	-	-	(5)	(910)	(100.0%)	(100.0%)
NK	MCO-AVL	AVL MCO	0	0	0	0	5	910	0	0	-	-	(5)	(910)	(100.0%)	(100.0%)
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	EWR-AVL	AVL EWR	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	AVL-IAD	AVL IAD	7	350	12	600	14	700	(5)	(250)	(41.7%)	(41.7%)	(7)	(350)	(50.0%)	(50.0%)
UA	IAD-AVL	AVL IAD	7	350	12	600	14	700	(5)	(250)	(41.7%)	(41.7%)	(7)	(350)	(50.0%)	(50.0%)
UA	AVL-ORD	AVL ORD	14	700	7	350	14	700	7	350	100.0%	100.0%	0	0	0.0%	0.0%
UA	ORD-AVL	AVL ORD	14	700	7	350	14	700	7	350	100.0%	100.0%	0	0	0.0%	0.0%
Total			302	33,282	240	21,538	388	35,234	62	11,744	25.8%	54.5%	(86)	(1,952)	(22.2%)	(5.5%)

Mkt AI	Travel Period		Mar 2022		Mar 2021		Mar 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL CLT	56	4,025	46	3,364	46	2,909	10	661	21.7%	19.6%	10	1,116	21.7%	38.4%
AA	CLT-AVL	CLT AVL	56	4,025	46	3,364	46	2,909	10	661	21.7%	19.6%	10	1,116	21.7%	38.4%
AA	AVL-DFW	AVL DFW	7	532	14	1,064	14	1,064	(7)	(532)	(50.0%)	(50.0%)	(7)	(532)	(50.0%)	(50.0%)
AA	DFW-AVL	DFW AVL	7	532	14	1,064	14	1,064	(7)	(532)	(50.0%)	(50.0%)	(7)	(532)	(50.0%)	(50.0%)
AA	AVL-LGA	AVL LGA	0	0	0	0	2	152	0	0	-	-	(2)	(152)	(100.0%)	(100.0%)
AA	LGA-AVL	LGA AVL	0	0	0	0	2	152	0	0	-	-	(2)	(152)	(100.0%)	(100.0%)
AA	AVL-ORD	AVL ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL PHL	7	350	0	0	14	987	7	350	-	-	(7)	(637)	(50.0%)	(64.5%)
AA	PHL-AVL	PHL AVL	7	350	0	0	14	987	7	350	-	-	(7)	(637)	(50.0%)	(64.5%)
DL	ATL-AVL	ATL AVL	34	3,740	39	2,964	48	3,151	(5)	776	(12.8%)	26.2%	(14)	589	(29.2%)	18.7%
DL	AVL-ATL	AVL ATL	34	3,740	39	2,964	48	3,151	(5)	776	(12.8%)	26.2%	(14)	589	(29.2%)	18.7%
G4	AUS-AVL	AUS AVL	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-AUS	AVL AUS	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-BOS	AVL BOS	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	BOS-AVL	BOS AVL	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-BWI	AVL BWI	2	354	2	312	2	312	0	42	0.0%	13.5%	0	42	0.0%	13.5%
G4	BWI-AVL	BWI AVL	2	354	2	312	2	312	0	42	0.0%	13.5%	0	42	0.0%	13.5%
G4	AVL-DEN	AVL DEN	2	354	2	354	1	177	0	0	0.0%	0.0%	1	177	100.0%	100.0%
G4	DEN-AVL	DEN AVL	2	354	2	354	1	177	0	0	0.0%	0.0%	1	177	100.0%	100.0%
G4	AVL-EWR	AVL EWR	4	666	2	354	2	354	2	312	100.0%	88.1%	2	312	100.0%	88.1%
G4	EWR-AVL	EWR AVL	4	666	2	354	2	354	2	312	100.0%	88.1%	2	312	100.0%	88.1%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	EYW AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	17	2,883	19	3,363	19	3,363	(2)	(480)	(10.5%)	(14.3%)	(2)	(480)	(10.5%)	(14.3%)
G4	FLL-AVL	FLL AVL	17	2,883	19	3,363	19	3,363	(2)	(480)	(10.5%)	(14.3%)	(2)	(480)	(10.5%)	(14.3%)
G4	AVL-HOU	AVL HOU	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	HOU-AVL	HOU AVL	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-LAS	AVL LAS	2	342	2	354	0	0	0	(12)	0.0%	(3.4%)	2	342	-	-
G4	LAS-AVL	LAS AVL	2	342	2	354	0	0	0	(12)	0.0%	(3.4%)	2	342	-	-
G4	AVL-MDW	AVL MDW	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	MDW-AVL	MDW AVL	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-MSP	AVL MSP	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	MSP-AVL	MSP AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-PBI	AVL PBI	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	PBI-AVL	PBI AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-PGD	AVL PGD	5	801	3	531	3	489	2	270	66.7%	50.8%	2	312	66.7%	63.8%
G4	PGD-AVL	PGD AVL	5	801	3	531	3	489	2	270	66.7%	50.8%	2	312	66.7%	63.8%
G4	AVL-PIE	AVL PIE	10	1,773	9	1,593	9	1,530	1	180	11.1%	11.3%	1	243	11.1%	15.9%
G4	PIE-AVL	PIE AVL	10	1,773	9	1,593	9	1,530	1	180	11.1%	11.3%	1	243	11.1%	15.9%
G4	AVL-SFB	AVL SFB	10	1,731	11	1,863	13	2,196	(1)	(132)	(9.1%)	(7.1%)	(3)	(465)	(23.1%)	(21.2%)
G4	SFB-AVL	SFB AVL	10	1,731	11	1,863	13	2,196	(1)	(132)	(9.1%)	(7.1%)	(3)	(465)	(23.1%)	(21.2%)
G4	AVL-SRQ	AVL SRQ	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	SRQ-AVL	SRQ AVL	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	AVL-VPS	AVL VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	VPS-AVL	VPS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	AVL-MCO	AVL MCO	0	0	0	5	725	0	0	0	-	-	(5)	(725)	(100.0%)	(100.0%)
NK	MCO-AVL	MCO AVL	0	0	0	5	725	0	0	0	-	-	(5)	(725)	(100.0%)	(100.0%)
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	MSP AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	EWR-AVL	EWR AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
UA	AVL-IAD	AVL IAD	7	350	12	600	14	700	(5)	(250)	(41.7%)	(41.7%)	(7)	(350)	(50.0%)	(50.0%)
UA	IAD-AVL	IAD AVL	7	350	12	600	14	700	(5)	(250)	(41.7%)	(41.7%)	(7)	(350)	(50.0%)	(50.0%)
UA	AVL-ORD	AVL ORD	14	700	11	550	14	700	3	150	27.3%	27.3%	0	0	0.0%	0.0%
UA	ORD-AVL	ORD AVL	14	700	11	550	14	700	3	150	27.3%	27.3%	0	0	0.0%	0.0%
Total			390	43,232	368	38,780	420	39,034	22	4,452	6.0%	11.5%	(30)	4,198	(7.1%)	10.8%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: December 10, 2021

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of October 2021

SUMMARY

Operating Revenues for the month of October were \$1,840,835, 84.7% over budget. Operating Expenses for the month were \$748,420, 20.0% under budget. As a result, Net Operating Revenues before Depreciation were \$1,092,415. Net Non-Operating Revenues were \$684,318, 124.4% over budget.

Year-to-date Operating Revenues were \$7,061,072, 77.1% over budget. Year-to-date Operating Expenses were \$2,730,430, 27.0% under budget. Year-to-date Net Operating Revenues before Depreciation were \$4,330,642. Net Non-Operating Revenues for the year were \$3,799,297, 211.4% over budget.

REVENUES

Significant variations to budget for October were:

Landing Fees	\$50,439	49.68%	Landings over budget
Term rentals – airlines	\$80,707	47.31%	Enplanements over budget
Concessions	\$30,867	85.84%	Enplanements over budget
Auto parking	\$326,321	96.37%	Enplanements over budget
Rental car-car rentals	\$331,187	264.95%	Enplanements over budget & increased rates
Land leases	\$14,506	86.17%	Golf course and FedEx leases

Information Section – Item B



EXPENSES

Significant variations to budget for October were:

Contractual services	(\$36,608)	(30.64%)	Invoicing less than anticipated
Utilities	(\$22,361)	(55.95%)	No invoices for water usage
Operating supplies	\$28,056	88.96%	Custodial/maintenance supply purchases
Promotional activities	\$22,061	111.55%	Runway 5k
Small Equipment	\$11,139	190.95%	Vehicle repairs

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$1,354K mostly due to receipt of state grant funding.

Construction in Progress – Construction in Progress increased by \$1,290K mostly due to the terminal design and south apron construction projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$452K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of October 31, 2021**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 12,825,206	2,324
NC Capital Management Trust - Cash Portfolio		484,099	4
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		567,754	
Bank of America - PFC Revenue Account	0.80%	11,584,908	1,963
 Total		 <u>\$ 25,462,167</u>	 <u>\$ 4,291</u>

Investment Diversification:

Banks	98%
NC Capital Management Trust	2%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended October 31, 2021**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 24,108,385	\$ 22,375,652
Net Income/(Loss) Before Capital Contributions	1,324,452	1,635,329
Depreciation	452,281	452,281
Decrease/(Increase) in Receivables	(1,121,149)	964,446
Increase/(Decrease) in Payables	(58,145)	(16,497)
Decrease/(Increase) in Prepaid Expenses	-	(177,504)
Decrease/(Increase) in Fixed Assets	(1,289,720)	(1,598,874)
Principal Payments of Bond Maturities	-	-
Capital Contributions	2,046,063	296,188
Fund Balance Adjustment - P/Y Adjustment	-	177,364
Increase(Decrease) in Cash	<u>1,353,782</u>	<u>1,732,733</u>
Cash and Investments End of Period	<u>\$ 25,462,167</u>	<u>\$ 24,108,385</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of October 31, 2021**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$13,309,504	\$12,367,768
Investments	0	0
Accounts Receivable	1,478,061	1,094,550
Passenger Facility Charges Receivable	600,000	500,000
Refundable Sales Tax Receivable	25,032	16,013
Grants Receivable	2,193,717	1,565,098
Prepaid Expenses	1,373,057	1,373,057
Inventory - Broadmoor	0	18,444
Total Unrestricted Assets	18,979,371	16,934,930
Restricted Assets:		
Cash and Cash Equivalents	12,152,662	11,740,617
Total Restricted Assets	12,152,662	11,740,617
Total Current Assets	31,132,033	28,675,547
Noncurrent Assets:		
Construction in Progress	133,478,461	132,188,741
Net Pension Asset - LGERS	(1,694,894)	(1,694,894)
Benefit Payment - OPEB	347,993	347,993
Contributions in Current Year	1,110,918	1,110,918
Property and Equipment - Net	71,814,894	72,267,175
Total Noncurrent Assets	205,057,372	204,219,933
	\$236,189,405	\$232,895,480
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	(\$85,370)	(\$68,737)
Customer Deposits	84,918	64,954
Unearned Revenue	146,438	256,213
Unearned Revenue - Constr	0	0
Construction Contracts Payable	0	0
Construction Contract Retainages	2,512,881	2,512,881
Revenue Bond Payable - Current	1,345,000	1,345,000
Interest Payable	119,420	89,565
Total Payable from Unrestricted Assets	4,123,287	4,199,876
Total Current Liabilities	4,123,287	4,199,876
Noncurrent Liabilities:		
Pension Deferrals - OPEB	229,725	229,725
Other Postemployment Benefits	1,316,093	1,316,093
Compensated Absences	524,744	524,744
Net Pension Obligation-LEO Special Separation Allowance	614,383	614,383
Revenue Bond Payable - Noncurrent	13,645,000	13,645,000
Total Noncurrent Liabilities	16,329,945	16,329,945
Total Liabilities	20,453,232	20,529,821
Net Assets:		
Invested in Capital Assets	190,303,355	189,465,916
Restricted	12,152,662	11,740,617
Unrestricted	13,280,156	11,159,126
Total Net Assets	215,736,173	212,365,659
	\$236,189,405	\$232,895,480



Income Statement

Through 10/31/21
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	24,699.67	90,383.37	87,935.67	2,447.70	263,807.00	173,423.63
Terminal space rentals - airline	251,310.14	954,868.85	682,412.33	272,456.52	2,047,237.00	1,092,368.15
Landing fees	151,962.96	602,832.97	406,096.33	196,736.64	1,218,289.00	615,456.03
Concessions	66,825.39	277,567.55	143,833.33	133,734.22	431,500.00	153,932.45
Auto parking	664,944.62	2,552,666.00	1,354,494.00	1,198,172.00	4,063,482.00	1,510,816.00
Rental car - car rentals	456,186.90	1,607,154.69	500,000.00	1,107,154.69	1,500,000.00	(107,154.69)
Rental car - facility rent	59,394.95	237,579.80	237,385.00	194.80	712,155.00	474,575.20
Commerce ground transportation	7,281.00	67,937.32	43,333.33	24,603.99	130,000.00	62,062.68
FBOs	99,620.42	391,312.31	366,238.67	25,073.64	1,098,716.00	707,403.69
Building leases	3,923.77	29,133.97	15,038.00	14,095.97	45,114.00	15,980.03
Land leases	31,341.23	110,622.63	67,339.67	43,282.96	202,019.00	91,396.37
Other leases and fees	23,343.44	139,012.61	81,933.33	57,079.28	245,800.00	106,787.39
<i>Operating revenues Totals</i>	\$1,840,834.49	\$7,061,072.07	\$3,986,039.67	\$3,075,032.40	\$11,958,119.00	\$4,897,046.93
<i>Non-operating revenue and expense</i>						
Customer facility charges	221,212.50	784,261.00	466,666.67	317,594.33	1,400,000.00	615,739.00
Passenger facility charges	368,143.30	1,233,616.34	750,000.00	483,616.34	2,250,000.00	1,016,383.66
Broadmoor operating revenues	293,179.23	293,179.23	.00	293,179.23	.00	(293,179.23)
Broadmoor operating expenses	(172,652.00)	(172,652.00)	.00	(172,652.00)	.00	172,652.00
Cares Act grant	.00	1,764,828.86	.00	1,764,828.86	.00	(1,764,828.86)
Interest revenue	4,290.63	15,485.65	3,333.33	12,152.32	10,000.00	(5,485.65)
Interest expense	(29,855.08)	(119,421.88)	.00	(119,421.88)	.00	119,421.88
Reimbursable cost expenses	.00	.00	.00	.00	.00	.00
Gain or loss on disposal of assets	.00	.00	.00	.00	.00	.00
P-card rebate	.00	.00	.00	.00	.00	.00
<i>Non-operating revenue and expense Totals</i>	\$684,318.58	\$3,799,297.20	\$1,220,000.00	\$2,579,297.20	\$3,660,000.00	(\$139,297.20)

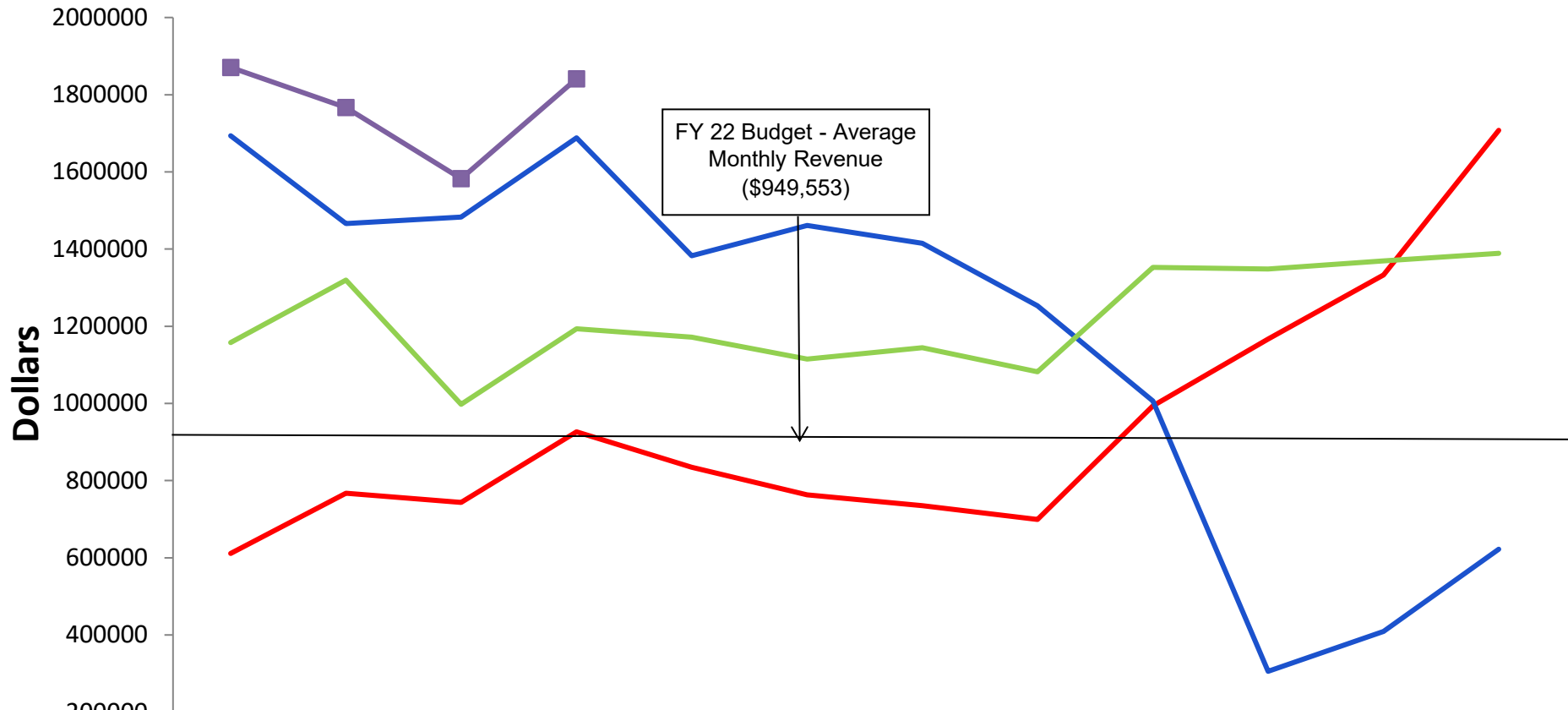


Income Statement

Through 10/31/21
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Capital contributions	2,046,062.72	3,433,794.95	.00	3,433,794.95	.00	(3,433,794.95)
<i>Operating expenses</i>						
Personnel services	445,705.62	1,828,283.82	2,344,180.00	(515,896.18)	7,032,540.00	5,204,256.18
Professional services	20,979.96	123,614.14	93,483.33	30,130.81	280,450.00	156,835.86
Other contractual services	82,873.17	318,200.75	477,926.00	(159,725.25)	1,433,778.00	1,115,577.25
Travel and training	5,089.72	27,877.26	45,516.67	(17,639.41)	136,550.00	108,672.74
Communications	3,986.12	14,967.16	20,413.33	(5,446.17)	61,240.00	46,272.84
Utility services	17,602.98	88,425.27	159,855.67	(71,430.40)	479,567.00	391,141.73
Rentals and leases	1,067.91	5,218.41	5,103.33	115.08	15,310.00	10,091.59
Insurance	21,768.00	25,848.00	111,466.67	(85,618.67)	334,400.00	308,552.00
Advertising, printing and binding	136.94	783.27	3,326.67	(2,543.40)	9,980.00	9,196.73
Promotional activities	41,837.90	67,902.12	79,108.33	(11,206.21)	237,325.00	169,422.88
Other current charges and obligations	4,904.45	23,133.79	19,050.00	4,083.79	57,150.00	34,016.21
Operating supplies	59,594.04	121,358.09	126,150.00	(4,791.91)	378,450.00	257,091.91
Publications, subscriptions, memberships, etc.	7,594.08	11,733.23	22,926.67	(11,193.44)	68,780.00	57,046.77
Repairs and maintenance	18,307.32	46,469.09	57,933.33	(11,464.24)	173,800.00	127,330.91
Small equipment	16,972.05	26,615.34	23,333.33	3,282.01	70,000.00	43,384.66
Contingency	.00	.00	33,333.33	(33,333.33)	100,000.00	100,000.00
Emergency repairs	.00	.00	16,666.67	(16,666.67)	50,000.00	50,000.00
Business development	.00	.00	100,000.00	(100,000.00)	300,000.00	300,000.00
<i>Operating expenses Totals</i>	\$748,420.26	\$2,730,429.74	\$3,739,773.33	(\$1,009,343.59)	\$11,219,320.00	\$8,488,890.26
<i>Depreciation</i>						
Depreciation	452,281.00	1,809,124.00	.00	1,809,124.00	.00	(1,809,124.00)
<i>Depreciation Totals</i>	\$452,281.00	\$1,809,124.00	\$0.00	\$1,809,124.00	\$0.00	(\$1,809,124.00)
Grand Totals						
REVENUE TOTALS	4,571,215.79	14,294,164.22	5,206,039.67	9,088,124.55	15,618,119.00	1,323,954.78
EXPENSE TOTALS	1,200,701.26	4,539,553.74	3,739,773.33	799,780.41	11,219,320.00	6,679,766.26
Grand Total Net Gain (Loss)	\$3,370,514.53	\$9,754,610.48	\$1,466,266.33	\$8,288,344.15	\$4,398,799.00	\$5,355,811.48

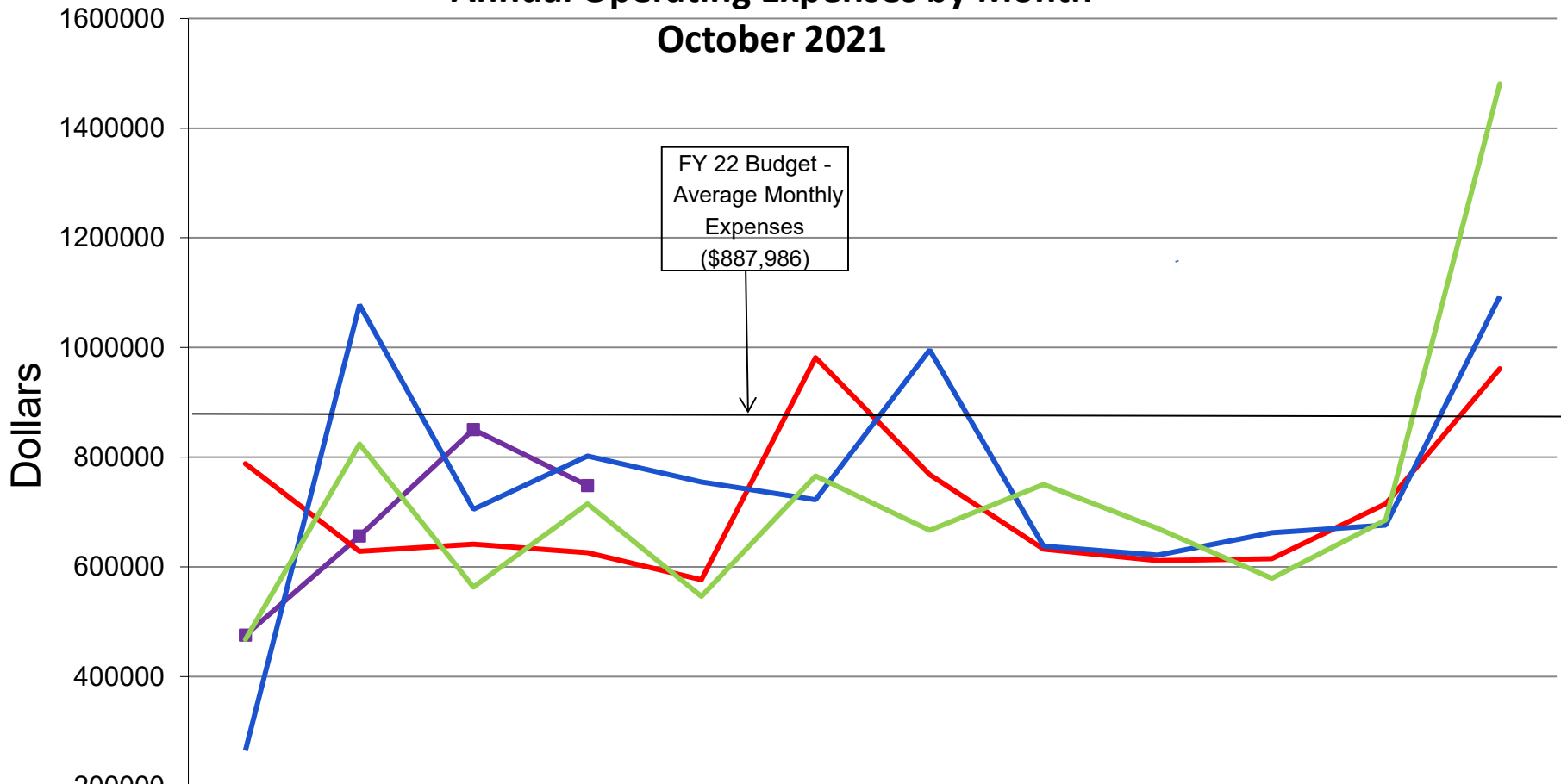
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month October 2021



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
■ 2022	1870783	1766994	1582459	1840835								
— 2021	611290	767485	743365	926512	834587	763375	735131	699104	993500	1166582	1332640	1707683
— 2020	1693639	1465826	1482983	1688471	1382894	1461166	1414955	1253245	1006396	305847	409453	622404
— 2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974

ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month

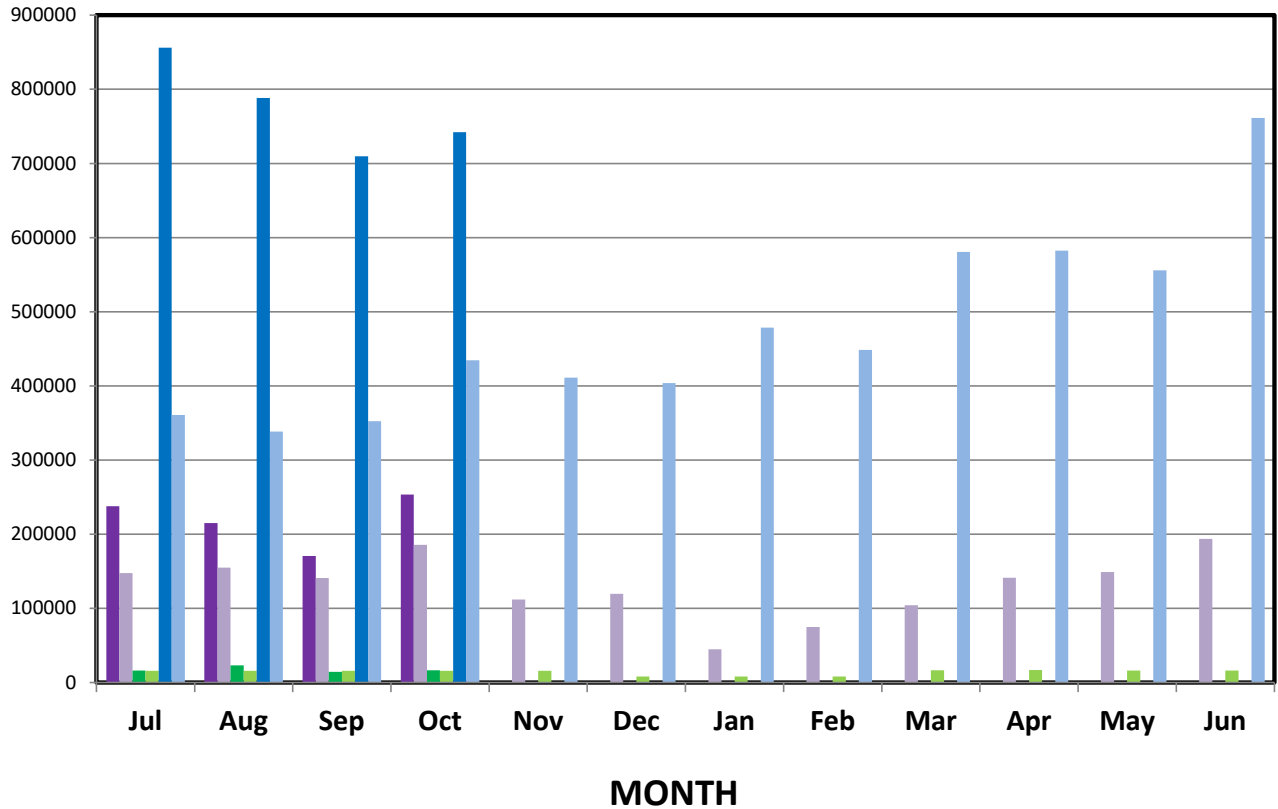
October 2021



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2022	475489	656101	850419	748420								
2021	788272	628561	641559	625891	576630	981507	768156	632342	611610	614830	714835	961373
2020	264978	1077831	704819	802144	754800	722727	995620	637669	621479	662302	676330	1093523
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
October 2021**

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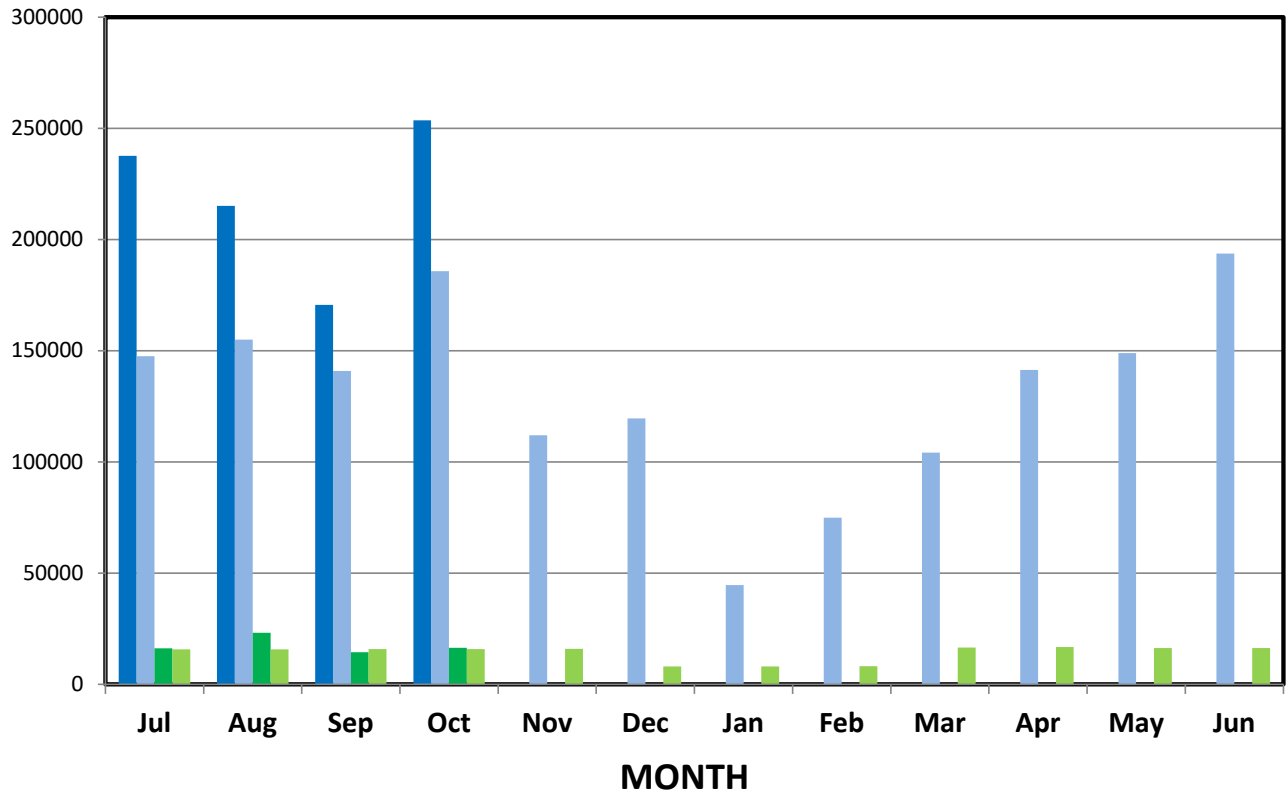


- Jet A FY22
- Jet A - FY21
- 100LL - FY22
- 100LL - FY21
- Airline - FY22
- Airline - FY21

Jet A - 215,115 Gallons
100LL - 23,213 Gallons
Airline - 788,273 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
October 2021**

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Jet A - 215,115 Gallons
100LL - 23,213 Gallons

Design Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2021)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2021)	Start Date	End Date	Current Project Status (as of 12/01/2021)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$55,900,000.00		\$120,000,000	96.1%	\$115,333,708			All Engineer, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 2	RS&H	\$1,460,329.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	96.0%	\$1,402,243	Aug-19	Oct-21	Phase IV Project Management continues.
1B	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 3	RS&H	\$1,487,205.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	94%	\$1,400,833	Aug-19	Oct-21	Phase IV Project Management continues.
1C	Airfield Re-Development Project	New Runway Design Vol3	AVCON	\$99,271.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	90.0%	\$89,344	Aug-19	Oct-21	Phase IV Project Management continues.
1D	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.0%	<i>(Overall total included in above number)</i>	0.0%	\$4,042,174	Jan-13	Oct-21	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$915,061.00	111.4%	\$1,736,257	93.0%	\$1,614,573	Nov-18	Dec-21	Project Management in process.
3	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$0.00	0.0%	\$12,608,794	63.3%	\$7,975,877	Nov-19	Mar-22	Design Development continues to progress.
4	Terminal Building Renovations	Pre-Construction CMR	Hensel Phelps	\$1,088,270.00	N/A	N/A	\$0.00	0.0%	\$1,088,270	80.3%	\$874,361	Dec-20	Mar-22	CMR Pre-Construction phase services.
5	Air Traffic Control Tower	Design new facility	Pond Company	\$4,157,923.00	N/A	N/A	\$0.00	0.0%	\$4,157,923	8.8%	\$366,377	Mar-21	Sep-22	Design is progressing.
6	Parking Lot D Restart	Continue design of parking lot across highway 280.	AVCON	\$25,000.00	N/A	N/A	\$0.00	0.0%	\$25,000	38.0%	\$9,509	Jun-21	Dec-21	Awaiting permits to commence work.
7	South GA Apron Rehabilitation	Design apron rehabilitation	Parrish and Partners	\$565,432.00	N/A	N/A	\$0.00	0.0%	\$565,432	6.9%	\$38,943	Jun-21	Apr-22	Design is progressing.

Construction Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/02021)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2021)	Start Date	End Date	Current Project Status (as of 12/01/2021)
1	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Travelers	\$22,222,792.84	\$0.00	0.0%	\$22,222,792.84	90.8%	\$20,186,595	Apr-20	Oct-21	Closeout documents are being assembled.
2	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857	\$305,066	3.36%	\$9,542,250	61.0%	\$5,730,278	Sep-19	Dec-21	Apron pavement is being placed, remaining work items to follow.
3	Parking Lot D Restart	Construct parking lot across highway 280	AVCON Inc	Amount in Design Fees	Chatham Civil Construction	\$297,567	\$0	0.00%	\$489,328	0.0%	\$0	Aug-21	Apr-22	Construction pending permits issuance.

*(bal of approved contract)

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision