



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, December 9, 2022, 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. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. BOARD MEMBER INTRODUCTION
- III. PRESENTATIONS:
 - A. Strategic Plan – Steer Davies and Gleave, Inc. ([document](#))
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority November 18, 2022 Regular Meeting Minutes ([document](#))
 - B. Approval of Amendment to the FY22/23 Budget for Salary Adjustment ([document](#))
 - C. Approval of Updates to Off-Airport Rent A Car Business Regulations Policy ([document](#))
 - D. Approval of the Greater Asheville Regional Airport Authority November 18, 2022 Closed Session Minutes
- VI. OLD BUSINESS: None



VII. NEW BUSINESS:

- A. Presentation of Annual Audited Financial Report for Fiscal Year 2021/2022 ([document](#))
- B. Approval of Task Order No. 2 Part D with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Temporary Checkpoint Design Services ([document](#))
- C. Approval of Change Order No. 2 to Contract with Hensel Phelps Construction Company ([document](#))

VIII. PRESIDENT'S REPORT:

- A. Change Order for Cell Phone Lot and Gravel Parking Lot
- B. Board Industry Conference Travel

IX. INFORMATION SECTION:

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

- A. October 2022 Traffic Report ([document](#))
- B. October 2022 Monthly Financial Report ([document](#))
- C. December 2022 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
 - None identified at this time

X. PUBLIC AND TENANTS' COMMENTS

XI. CALL FOR NEXT MEETING: January 5, 2023



XII. 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.

XIII. AUTHORITY MEMBER REPORTS:

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

XIV. 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.

Strategic Planning Services State of the Industry and AVL's Place Within It

Stephen D. Van Beek | December 2022
Greater Asheville Regional Airport Authority

steer

Steer is a global, employee-owned transportation and economic consultancy

Steer has over 450 staff across 21 offices around the world specializing in airport, transportation infrastructure, economic, design, and planning.

Steer Washington, D.C.

1800 Diagonal Road, Suite 540
Alexandria, Virginia 22314



The CEO and Board's Dilemma

- Scylla (investment risk) and Charybdis (service risk) challenge the airport hero and crew
- Where is Asheville?



Airport-centric 2022 SWOT

Strengths

- **U.S.'s global competitive position**
- Covid variants declining in severity
- Air traffic recovery, and positive recent signs for business
- High-end general aviation surge
- Air cargo growth

Weaknesses

- **Inflation and economic uncertainty**
- Small community air service
- FBO consolidation
- Regional labor markets
- Interest rates

Opportunities

- **Aircraft development: Supersonic, e-VTOLs, low emissions**
- FAA and EDA Infrastructure funding
- Efficiency “bounce” post-recovery
- Digital economy and applications to customers & operations
- Private equity interest in airport assets

Threats

- **Service and operational “tripwires”**
- National political divisions and instability
- Economic recession
- Climate change and pressures on aviation
- Consolidation of airlines (mergers and codeshares)

Today's Agenda

The National
Picture on
Recovery

1

AVL's Place in
the Aviation
Industry

2

Aviation's
Exciting Future

3

Next Steps &
Discussion

4

**The National
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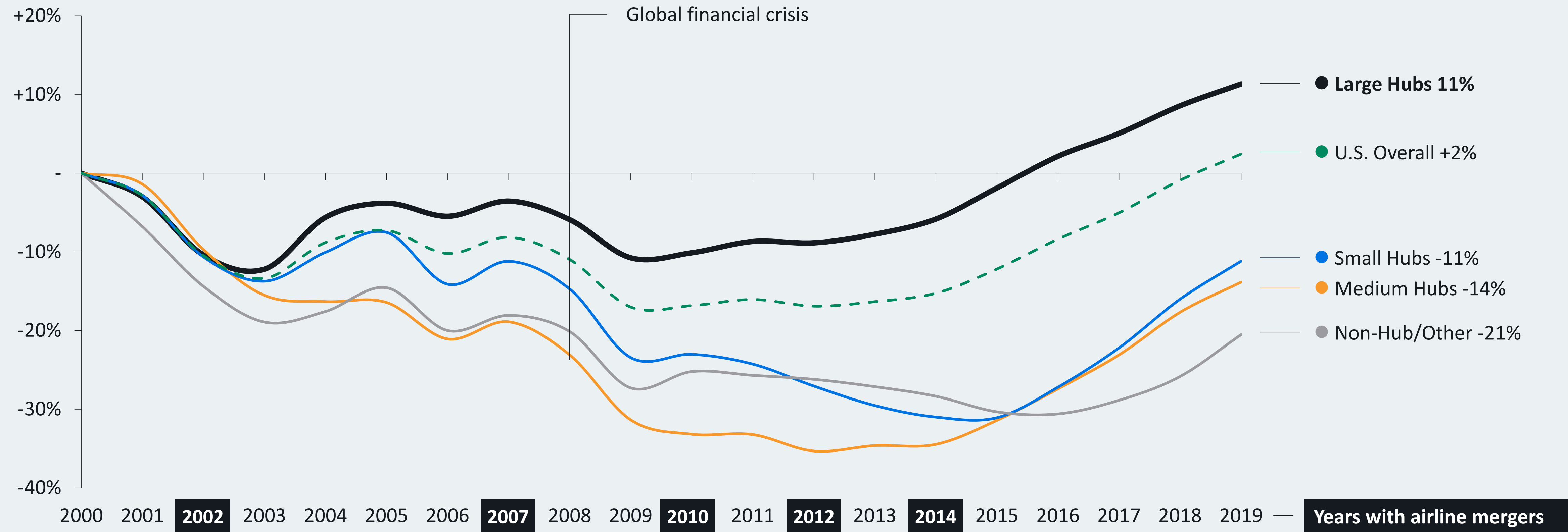
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Since 2000, through to the pandemic, large hubs grew faster than other hubs

Departing Seat Capacity Growth of U.S. Hubs¹ 2000-2019

% Year-Over-2000 Change

% 2019-Over-2000 Change

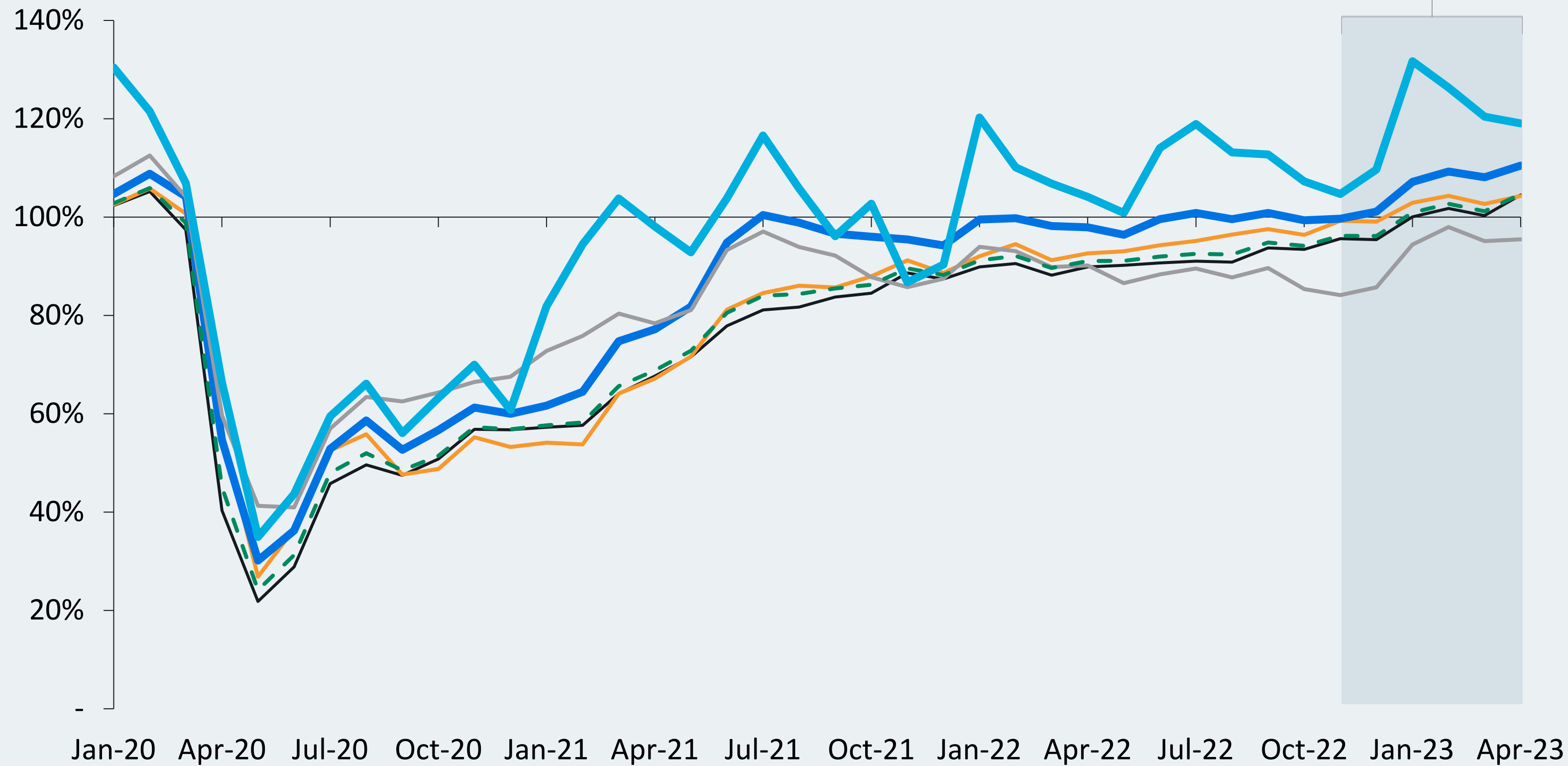


¹ Based on U.S. Federal Aviation Administration 2019 definitions and classifications.
Source: Official Airline Guide data, U.S. Federal Aviation Administration data, Steer analysis

The profile of an atypical recovery: small airports leading the way

Departing Seats by Hub Airport¹ January 2020-April 2023

% Monthly 2019 Seat Capacity



Apr 2023 Seats Forecast as a % of Apr 2019 Seats²

- Asheville 119%
 - Small Hubs 110%
 - Large Hubs 105%
 - U.S. Overall 105%
 - Medium Hubs 104%
 - Non-Hubs/Others 95%
- ≥ 100% of 2019
 < 100% of 2019

Key Takeaway: Small hubs lead recovery in the United States compared to past recoveries when large hubs, business, and international traffic led.

¹ Based on U.S. Federal Aviation Administration 2019 definitions and classifications..

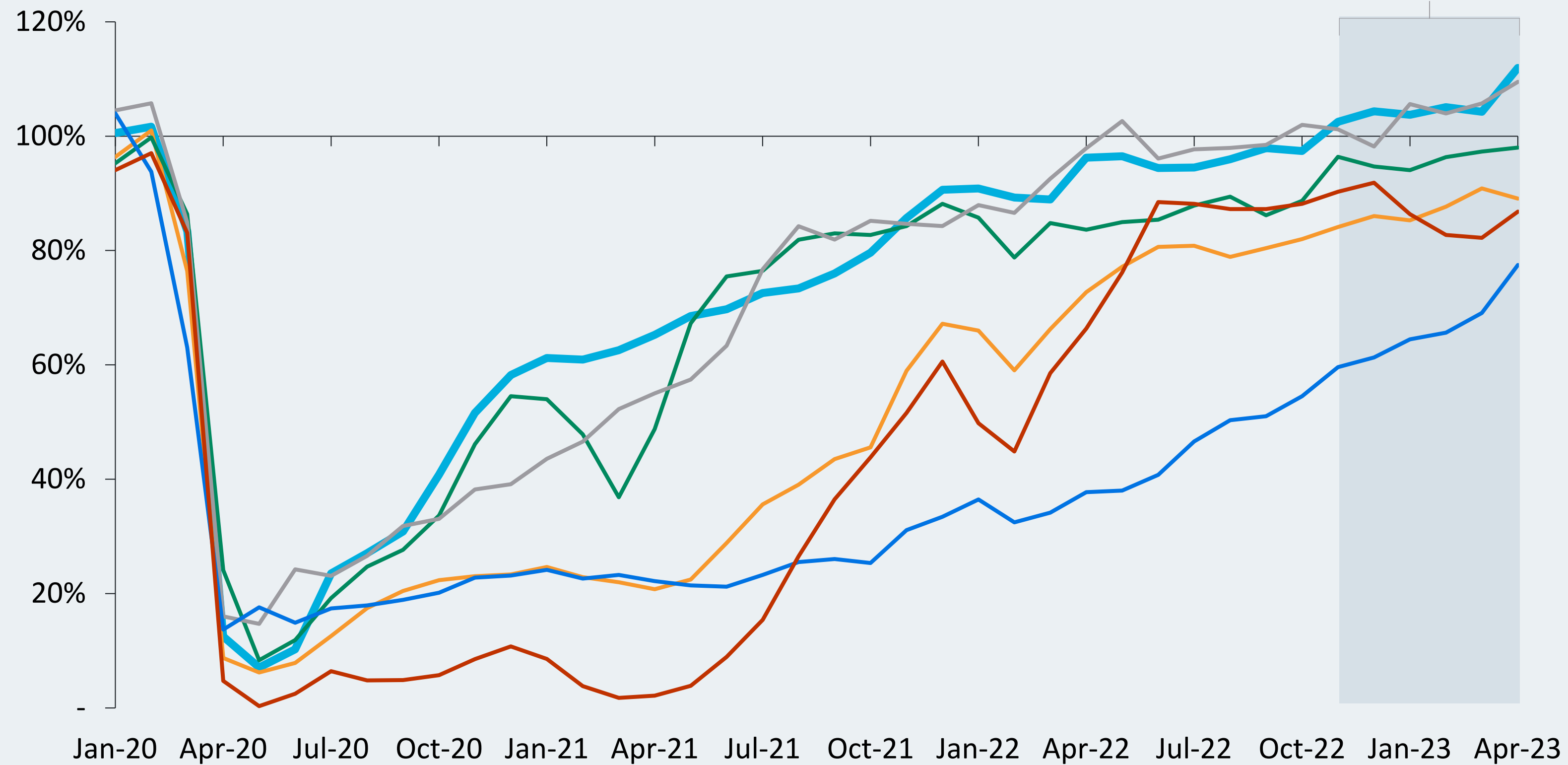
² Includes forward scheduled capacities and may be subject to further changes.

Source: Official Airline Guide data, Steer analysis

U.S. based airlines leading the international recovery

Departing Seats by Carrier Region, January 2020-April 2023

% Monthly 2019 Seat Capacity



Apr 2023 Seats Forecast as a % of Apr 2019 Seats²

- U.S. Carriers 112%
- Middle East & African Carriers 109%
- Latin American Carriers 98%
- European Carriers 89%
- Canadian Carriers 87%
- Asia-Pacific Carriers 67%

¹ Includes all airlines that have flown/scheduled more than 1m seats between January 2019 – August 2022 to international destinations from the U.S.

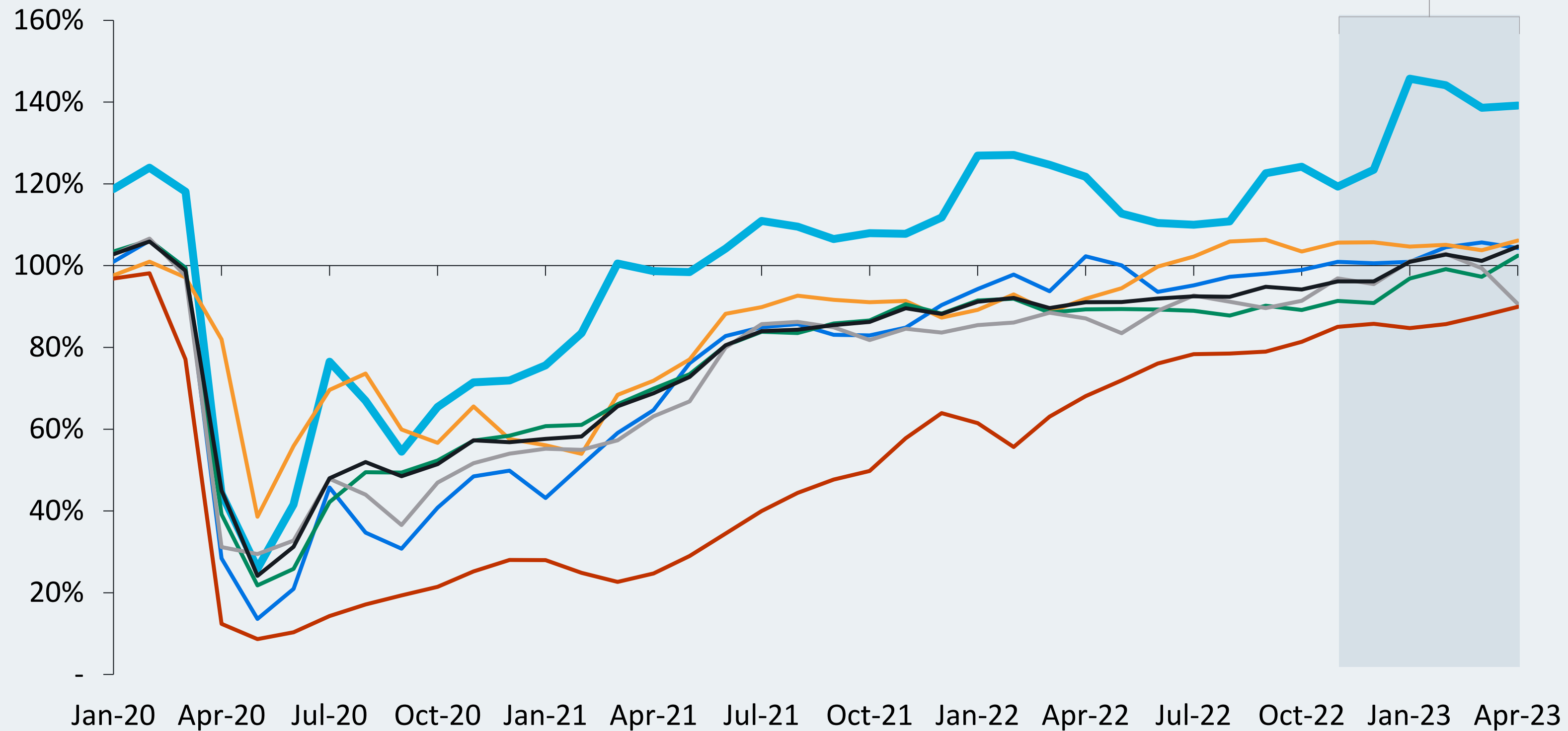
² Includes forward scheduled capacities and may be subject to further changes.

Source: Official Airline Guide data, Steer analysis

ULCCs have already reached full recovery while legacies lag slightly behind

Departing Seats by Airline Type January 2020-April 2023

% Monthly 2019 Seat Capacity



Apr 2023 Seats Forecast as a % of Apr 2019 Seats¹

- ULCCs² 139%
- Southwest Airlines 106%
- JetBlue Airways 104%
- U.S. Overall 105%
- Legacy Carriers³ 102%
- Other U.S.-Based Carriers 91%
- Other Inbound Carriers 90%

¹ Forecast includes forward scheduled capacities and may be subject to further changes.

² ULCC or Ultra Low-Cost Carriers includes the following airlines: Allegiant Air, Avelo Airlines, Breeze Airways, Frontier Airlines, and Spirit Airlines.

³ Legacy carriers include the following airlines: American Airlines, Delta Air Lines, and United Airlines.

Source: Official Airline Guide data, Steer analysis

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**Aviation's
Exciting Future**

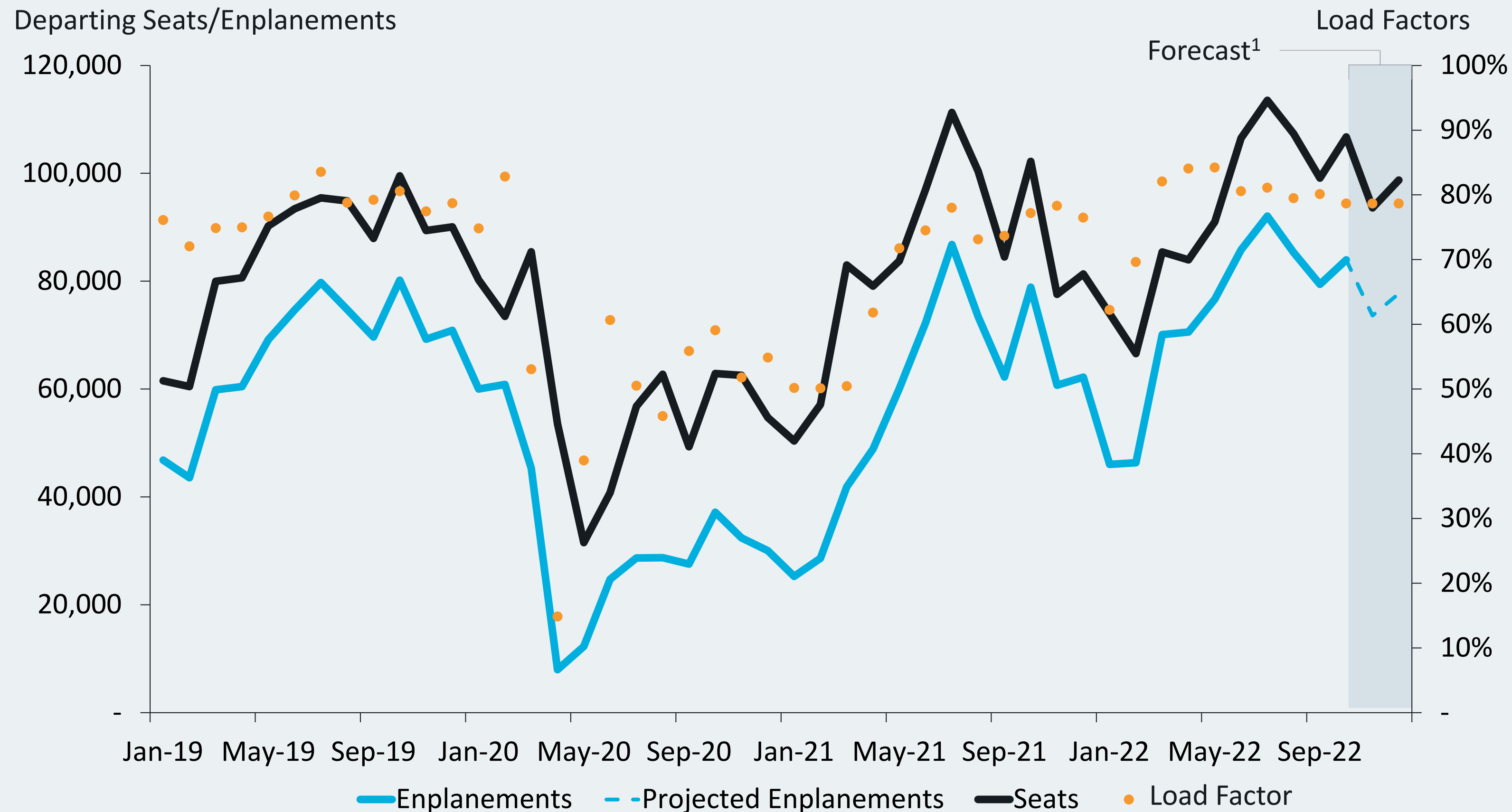
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**Next Steps &
Discussion**

4

AVL is expected to reach 0.9m enplanements by the end of 2022 (+10% on 2019)

Departing Seat versus Enplanements recovery AVL (up to December 2022)



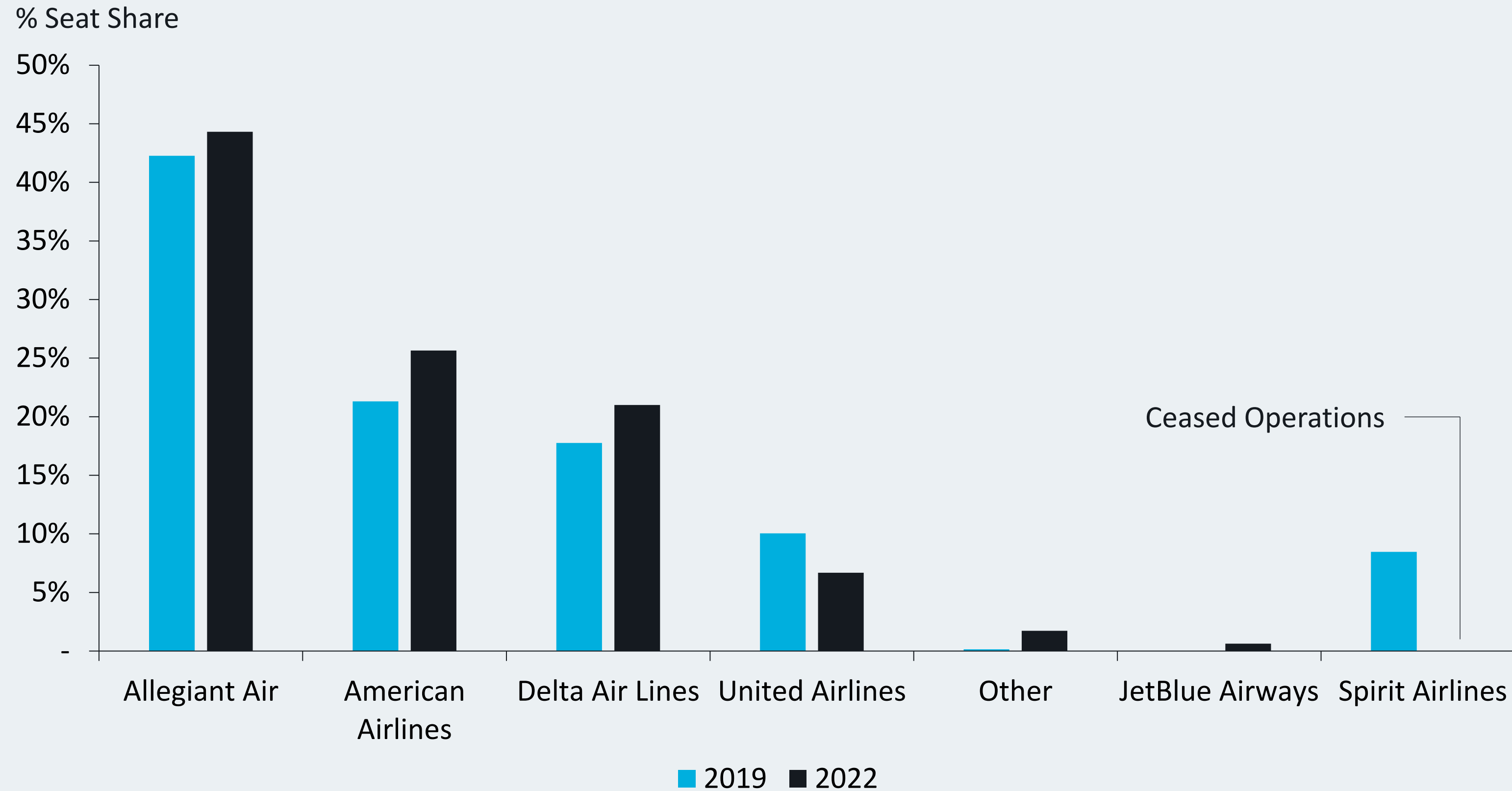
Key Takeaway: Strong seat recovery at AVL in 2022 was supported by similar load factors to pre-pandemic levels, with July the peak for the second year running.

- **Note November and December based on airline schedules, which can change.**
- Based on Jan-Aug 2023 forward schedules, 2023 is on track to see 18% more seats than 2019, with American and Delta the largest drivers of growth

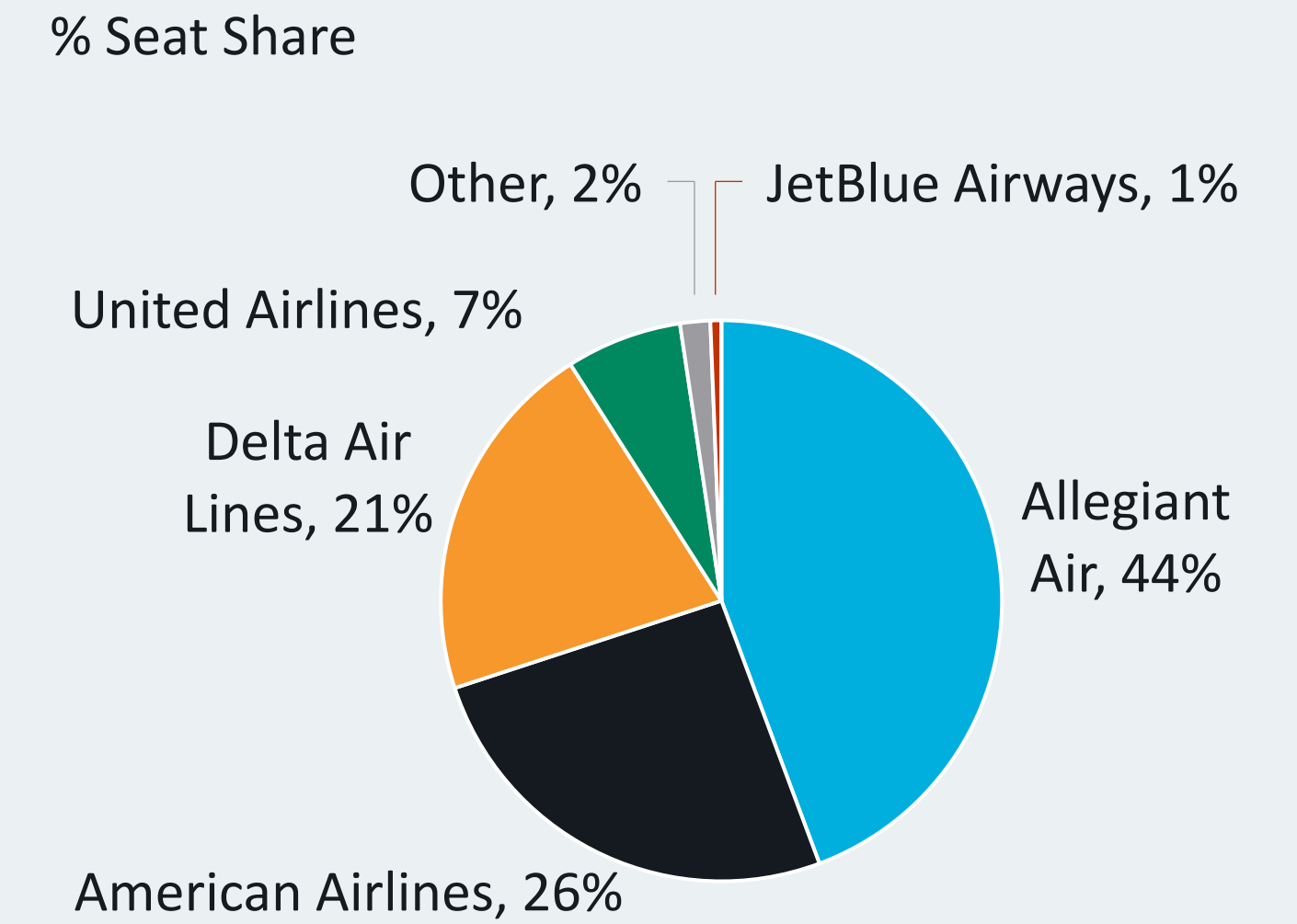
¹ Forecast includes forward scheduled capacities and may be subject to further changes..
Source: AVL Website, OAG, Steer

Allegiant has the highest seat share at AVL, but American and Delta are growing

Seat Share by Airline 2019 vs. 2022



Seat Share by Airline 2022



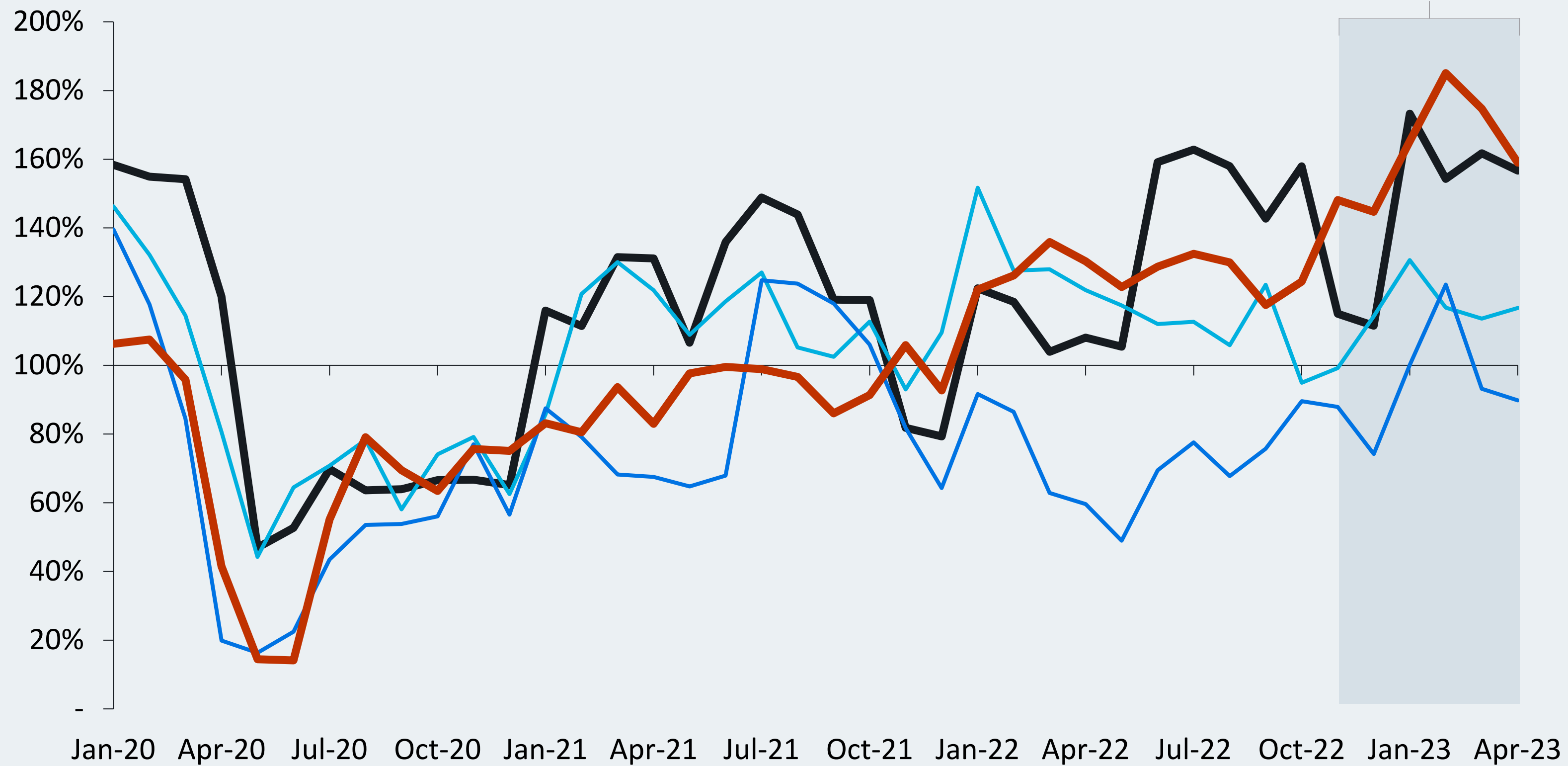
Key Takeaway: America, Delta, and Allegiant have all gained market share. Spirit Airlines ceased operations from AVL.

¹Includes forward scheduled capacities and may be subject to further changes.
Source: Official Airline Guide data, Steer analysis

Delta & American have recovered to 2019 levels and are increasing their presence

Departing Seats by Airline at from AVL January 2020-April 2023

% Monthly 2019 Seat Capacity



Apr 2023 Seats Forecast as a % of Apr 2019 Seats²

- Delta Airlines 159%
- American Airlines 144%
- Allegiant Air 117%
- United Airlines 90%

¹ Based on U.S. Federal Aviation Administration 2019 definitions and classifications.

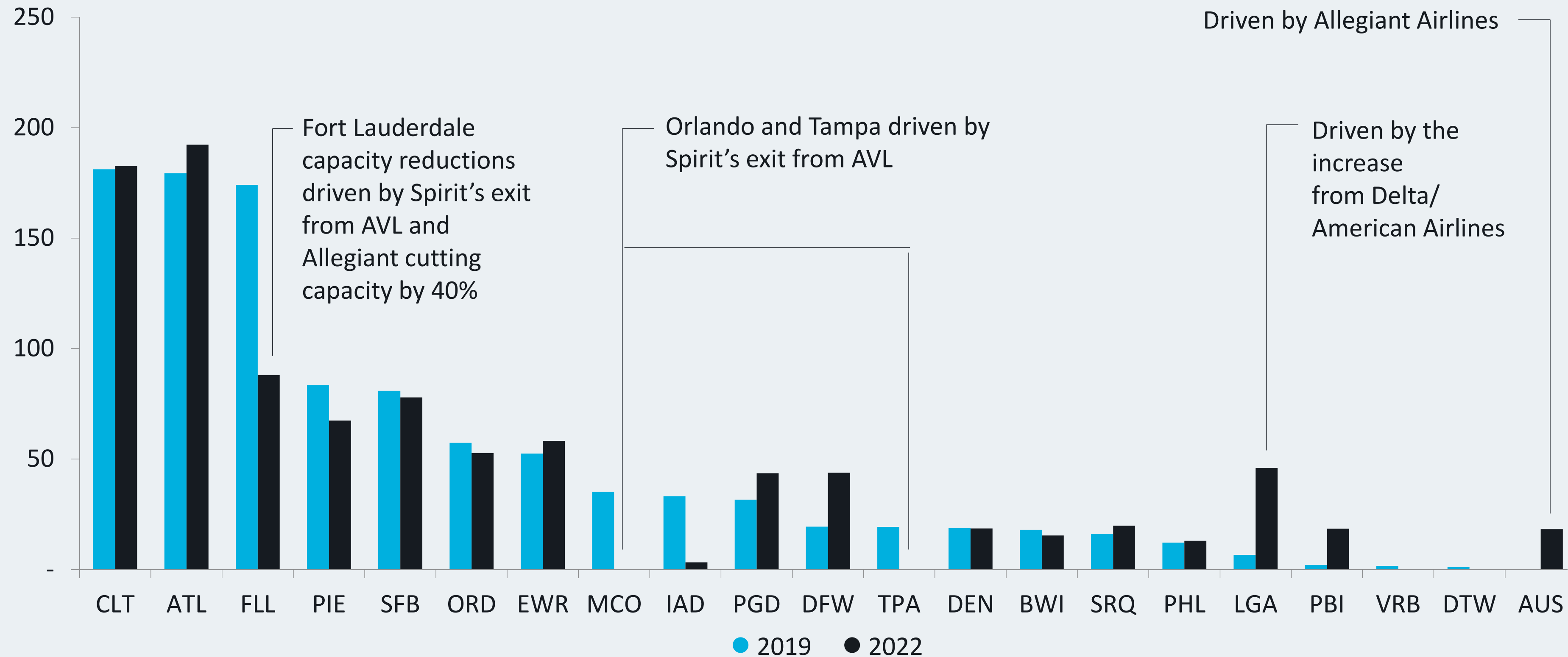
² Includes forward scheduled capacities and may be subject to further changes.

Source: Official Airline Guide data, Steer analysis

Most destinations have gained seats since 2019, except in Florida

AVL Departing Seats by Destination 2019 vs. 2022 ¹

Thousand Departing Seats



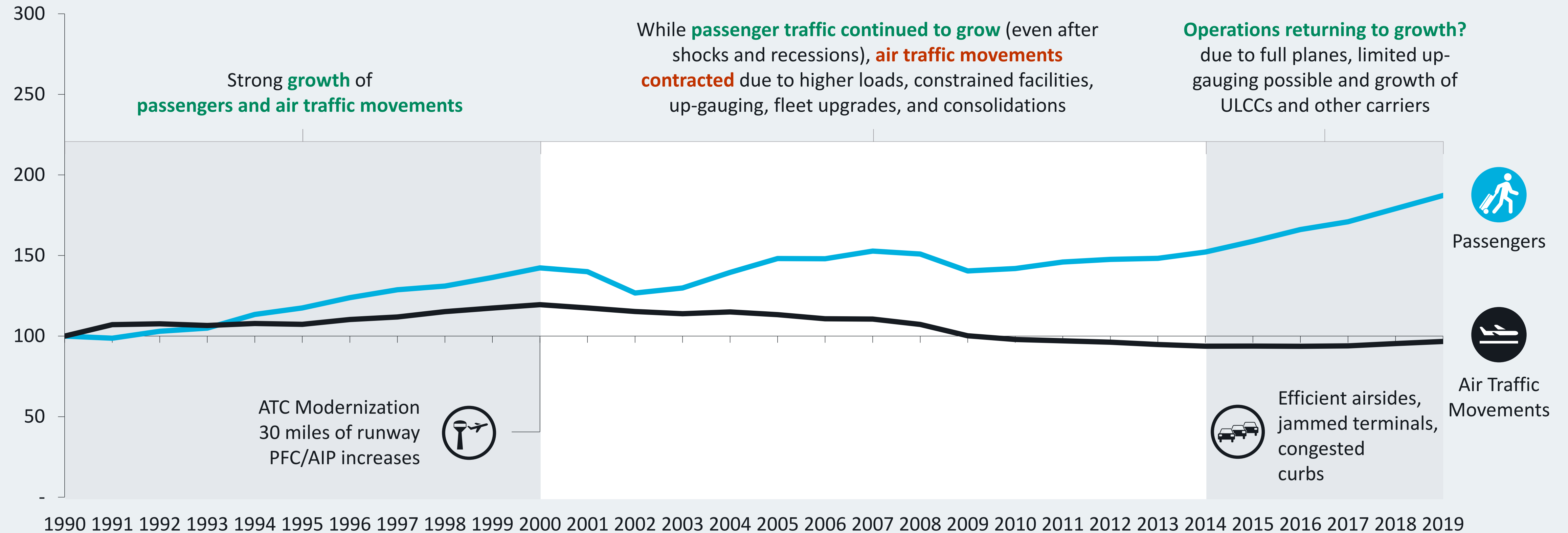
- Reference**
- Charlotte Douglas CLT
 - Atlanta Hartsfield Jackson ATL
 - Fort Lauderdale International FLL
 - St. Pete-Clearwater PIE
 - Orlando Sanford SFB
 - Chicago O'Hare ORD
 - Newark Liberty EWR
 - Orlando International MCO
 - Washington Dulles IAD
 - Punta Gorda PGD
 - Dallas Fort Worth DFW
 - Tampa International TPA
 - Denver International DEN
 - Baltimore-Washington BWI
 - Sarasota Bradenton DRQ
 - Philadelphia International PHL
 - New York LaGuardia LGA
 - Palm Beach PBI
 - Vero Beach Regional VRB
 - Detroit DTW
 - Austin AUS

¹ Includes forward scheduled capacities and may be subject to further changes.
Source: Official Airline Guide data, Steer analysis

Movements and seats: aviation's evolution and infrastructure challenges

U.S. Passengers and Air Traffic Movements 2000-2019

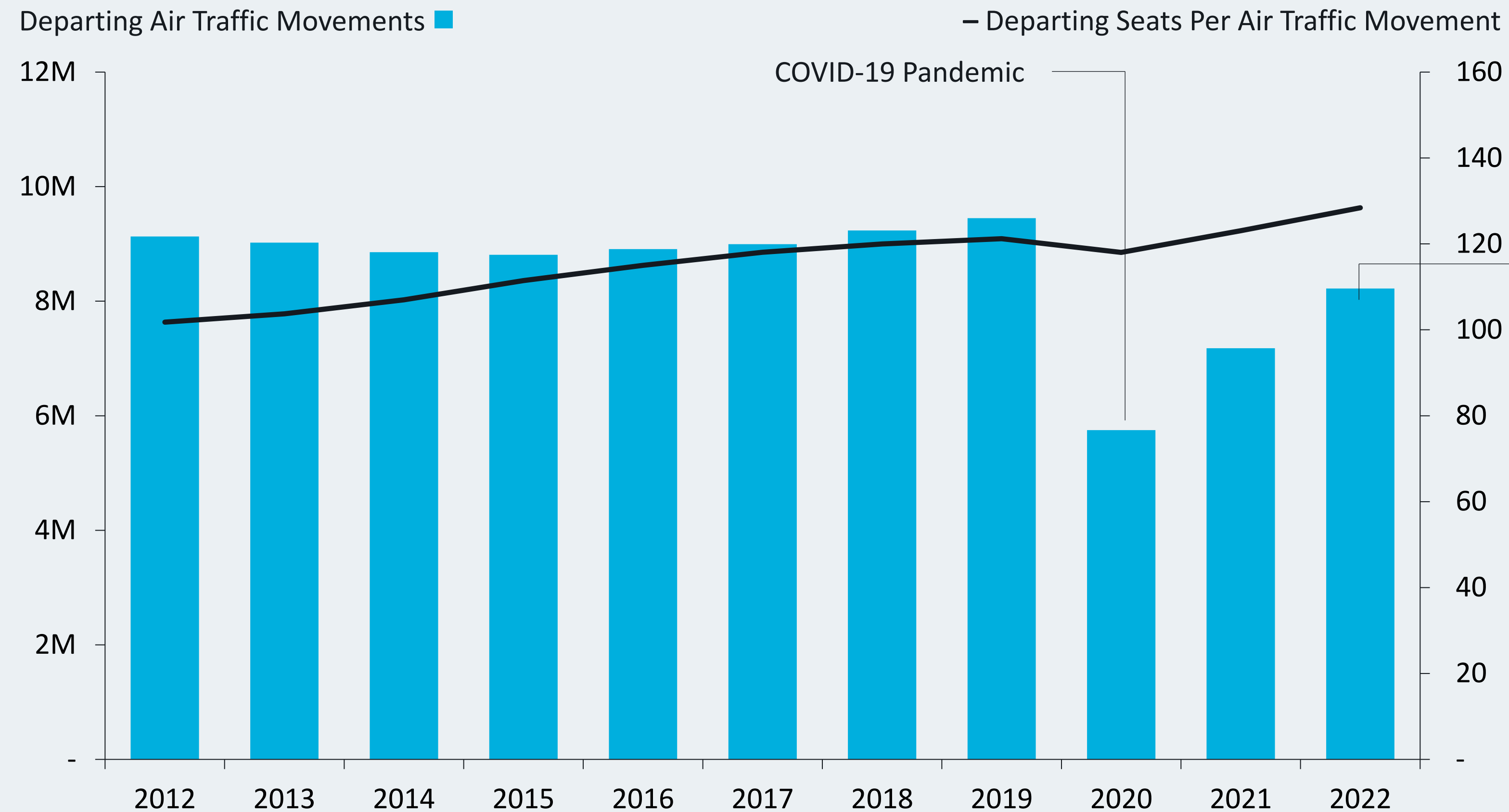
Index relative 1990 (=100)



Source: U.S. Federal Aviation Administration Terminal Area Forecast data, Steer analysis

Over the past decade, seats per air traffic movement have been increasing

U.S. Departing Air Traffic Movements and Departing Seats/Flight 2012-2022 ¹



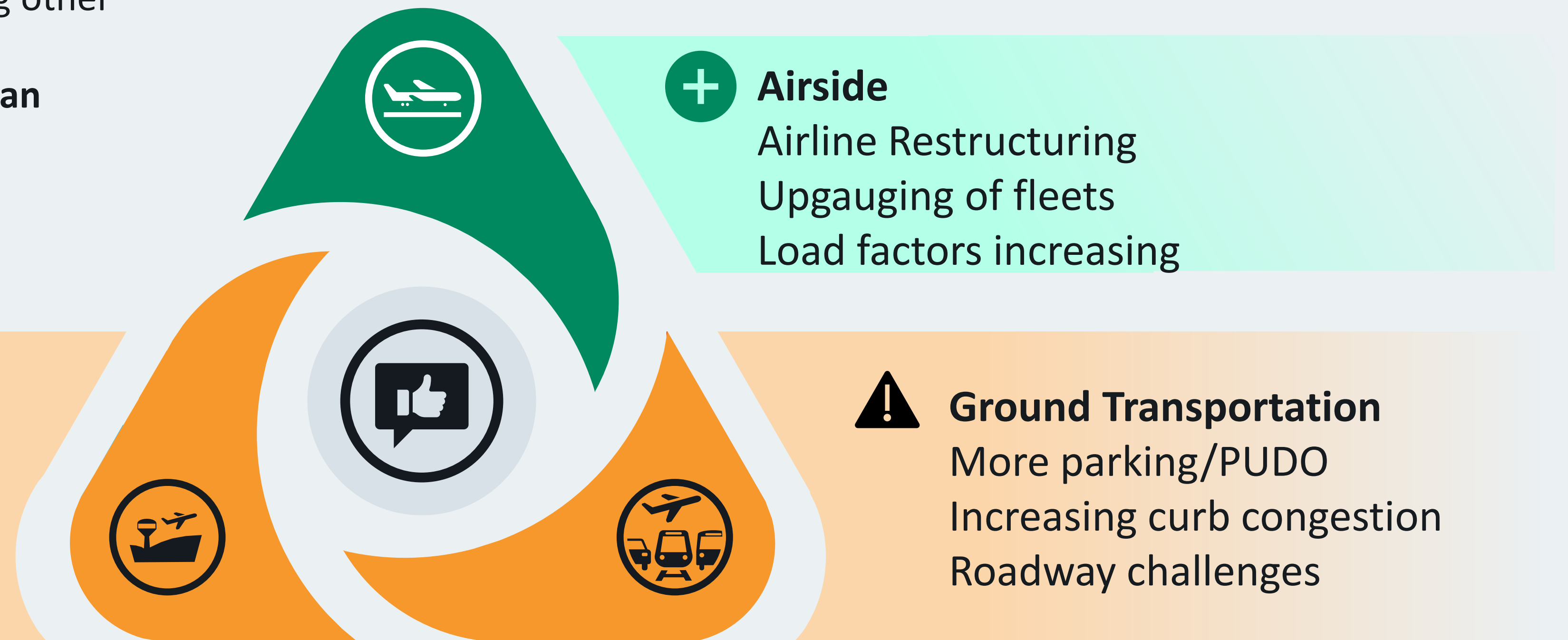
Note: AVL's average seats per movement at 108

Key Takeaway: Airlines have continued to become more efficient offering more seat capacity per air traffic movement even during the COVID-19 pandemic. This, however, can strain airport landside capacity

¹ Forecast includes forward scheduled capacities and may be subject to further changes
Source: Official Airline Guide data, U.S. Federal Aviation Administration data, Steer analysis

The Service Imperative: Continuously striving to balance airport infrastructure

Increasing seats per operation helps airports' constrained airside (+) while challenging other terminal and ground transportation (!).
Key is balancing operations to provide an outstanding customer experience.



Source: Steer

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What Distinguishes U.S. Airports?

U.S. Airports' "commercial means for public ends" business model is unique

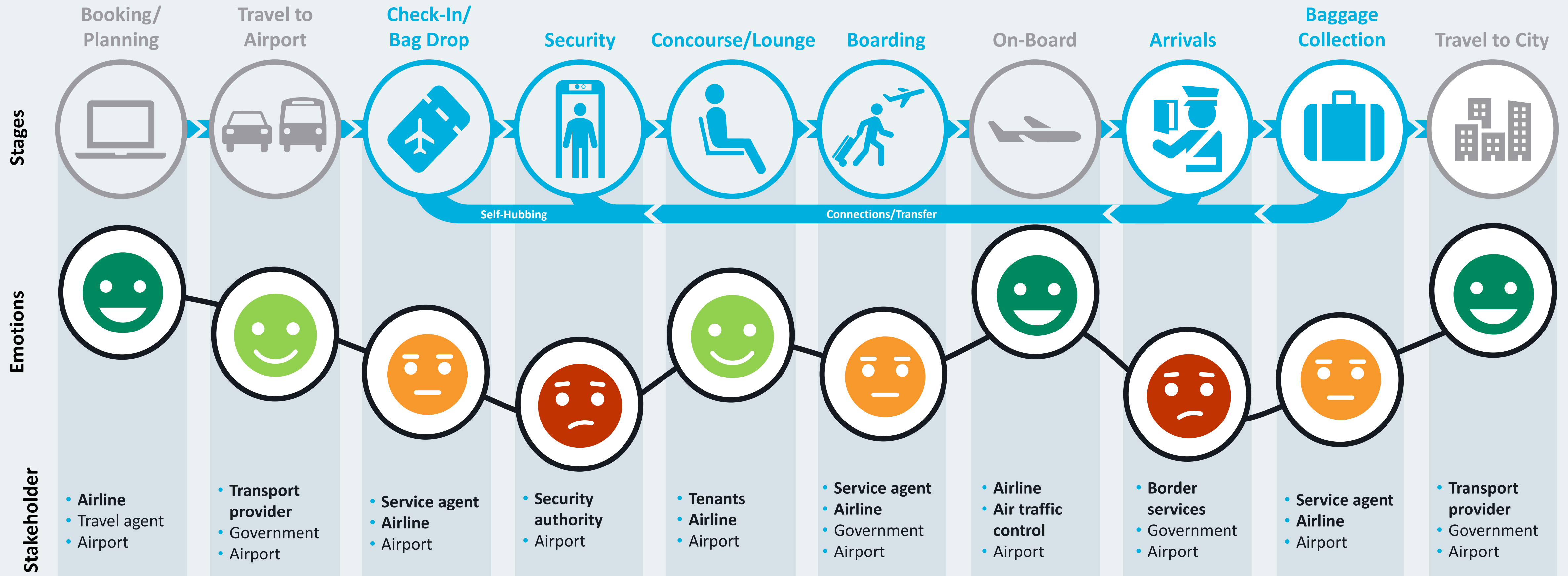
- Public
- Non-profit
- Service-oriented
- Commercial
- Means of funding
- Capital intensive
- Operating culture
- Landlords
- Regulated (FAA, TSA)
- Span of control

*"We are sometimes
an island on our own
airport"*

*– Jeff Hamiel, former head of the
Metropolitan Airport Commission
(Minneapolis-St. Paul)*

Customer Experience: To avoid the “tripwires” coordination is vital

Airport Customer Experience Scope ● On-Airport Processes ● Off-Airport Processes







Source: Steer

The future of short-haul aviation is electric

Electric Vertical Take-Off and Landing (EVTOL)



Joby Aero

-  **Range:** 150 miles
-  **Capacity:** 4 passengers
-  **Timeline:** 2024 (scheduled)
-  **Operations:** Joby as operator

Electric Aircraft







Eviation Alice

-  **Range:** 506 miles
-  **Capacity:** 9 passengers
-  **Timeline:** 2024 (scheduled)
-  **Operations:** Cape Air (75 planes)



Wisk Aero





(Backed by Kitty Hawk/Boeing)

-  **Range:** 62 miles
-  **Capacity:** 4 passengers
-  **Timeline:** 2024 (target)
-  **Operations:** Wisk as operator



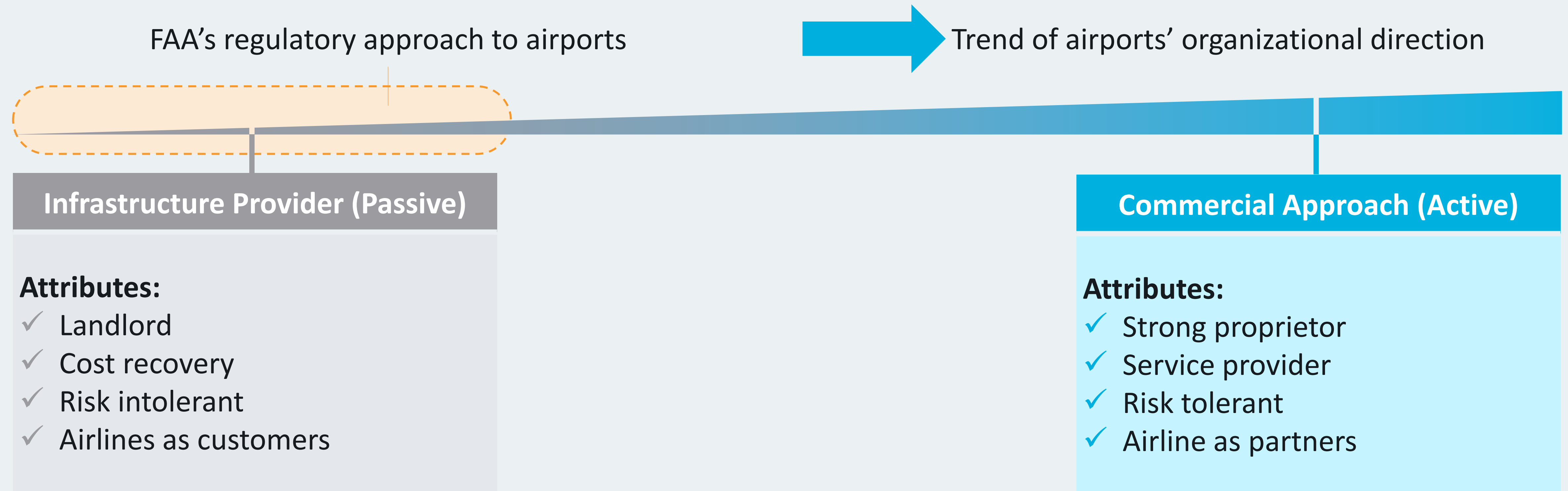
Tecnam P-Volt

(Designed with Rolls-Royce)

-  **Range:** 98 miles
-  **Capacity:** 9 passengers
-  **Timeline:** 2026 (scheduled)
-  **Operations:** Wideroe

Source: Joby, Eviation, Wisk, and Tecnam websites, public news articles, Steer analysis

FAA Reauthorization: airports' market position, roles and future management



Discussion: Is it possible (and/or desirable) to align the FAA's regulatory approach to the organizational direction of many airports? If so, what are the elements?

Airports' capital funding sources: issues and areas for improvement

Airport Improvement Program



- AATF unstable absent reform
- Airfield, small airport lifeblood
- But limited eligibility for terminal, landside
- Airline acquiescence (we'll see if AATF/tax reform)

Trust Fund stability

Passenger Facility Charge



- Traffic risk all on airport
- Fixed ceiling and no rate-setting flexibility
- Eligibilities cumbersome for non-airfield projects
- Challenge for small communities

Flexible rate-setting

Aero and Non-Aero Revenues



- Aero revenues strictly regulated
- Lower traffic risk but airports often insulate airline costs With some lease agreements, difficult to pass on cost increases
- Non-Aero unjustifiability regulated

Deregulation

Precedents of “any lawful purpose” and PFC eligibility for terminal projects offer potential opportunities.

The uncertain political environment dictates a flexible FAA bill approach



Issues potentially impacted:

- Capital funding
- Airport economic deregulation
- Small community air service
- Environment
- DBE/Equity and inclusion
- Others

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Thank you

Please contact:



Stephen D. Van Beek, Ph.D.

Director and Head of North American Aviation

steve.vanbeek@steergroup.com

+1 703 910 3844



Michele Tavani

Associate

michele.tavani@steergroup.com

+1 703 910 3846



Adrian Leung

Principal Consultant

adrian.leung@steergroup.com

+1 703 910 3847



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**Asheville Regional Airport
Executive Summary
October-22**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	96,632	12.7%	764,958	30.3%
Aircraft Operations				
* Commercial	2,852	(1.3%)	22,592	(1.0%)
Scheduled Flights	1,218	19.1%		
Flight Cancellations	104			
Seats	115,173	9.6%	920,656	10.6%
Load Factor	83.9%	2.8%	83.1%	17.7%
General Aviation	4,545	27.5%	40,830	9.3%
Military	512	26.7%	4,399	29.6%
* Current year commercial operations include charter flight data				

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 2,215,944	31.0%	\$ 8,519,253	25.9%
Operating Expenses	894,073	(23.7%)	3,867,627	(23.0%)
Net Operating Revenues before Depreciation	<u>\$ 1,321,871</u>		<u>\$ 4,651,626</u>	
Net Non-Operating Revenues	<u>\$ (21,613) *</u>		<u>\$ 1,702,496</u>	
* Includes Series 2022A Bond Interest Expense \$983,723 to be paid from the Bond Capitalized Interest account semi-annually				
Grants:				
FAA AIP Grants	\$ 1,399,831		\$ 5,419,503	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 1,399,831</u>		<u>\$ 5,419,503</u>	

CASH

Restricted - PFC Revenue Account	\$ 14,550,115
Restricted - BNY Mellon (Debt Service Series 2016)	\$ 567,038
Restricted - Bond Series 2022A	\$ 196,350,287
Designated for O&M Reserve	6,970,340
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	23,682,753
Total	<u>\$ 242,770,533</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	29,523	13,705	6,370	9,448
American	9,842	9,842	-	-
Delta	9,928	9,928	-	-
Enterprise	1,330	1,330	-	-
FAA	17,104	16,797	160	147
Jet Blue	491	-	491	-
TSA	2,755	770	890	1,095
Miscellaneous	255	-	140	115
Total	<u>\$ 71,227</u>	<u>\$ 52,372</u>	<u>\$ 8,051</u>	<u>\$ 10,805</u>
% of Total Receivables	6.27%			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 13,645,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	-
Terminal Revenue Bond, Series 2022A	185,000,000	185,000,000
	<u>\$ 206,000,000</u>	<u>\$ 198,645,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 298,285,329
Year-to-Date Spending	\$ 10,136,665

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
November 18, 2022**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, November 18, 2022 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: Brad Galbraith, Chair; George H. Erwin, Jr., Vice-Chair; Carl H. Ricker, Jr.; Susan Russo Klein; Britt Lovin; Nathan Kennedy; and Robby Russell

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Chief Operating Officer; Tina Kinsey, VP - Marketing, Public Relations and Air Service Development; Janet Burnette, Chief Financial Officer; John Coon, VP - Operations and Maintenance; Christina Madsen, VP – Business Development and Properties; Jared Merrill, VP – Planning; Samuel Sales, Chief of Public Safety; Angela Wagner, VP - Administration and Human Resources; David Nantz, Safety Manager; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Zeke Cooper, DreamCatcher Hotels; Amanda Sheridan, McFarland Johnson; Jon McCalmont, Parrish & Partners; Paul Puckli, CHA Consulting; Christian Smith, Asheville Citizen Times

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

EMPLOYEE RECOGNITION: The Chair recognized David Nantz with a service award and gift for his 25 years of service with the Authority.

PRESENTATIONS:

A. Hotel Design: Zeke Cooper, President & CEO of DreamCatcher Hotels ("DreamCatcher"), appeared before the Board to give an update on the design of the hotel and conference center planned for the Broadmoor Golf Course. Mr. Cooper provided an overview of his company and some drawings of their completed projects. Renderings and details for the hotel and conference center to be built next to the Broadmoor Golf Course were presented. Mr. Cooper informed the Board that DreamCatcher is awaiting the geotechnical report on the core drillings and once that becomes available, the civil engineers will begin work and DreamCatcher will start the

permitting process with Henderson County. DreamCatcher anticipates breaking ground on the project this spring. The Board thanked Mr. Cooper for his presentation.

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

CONSENT ITEMS: The Chair stated that Consent Item C, Approval of the Greater Asheville Regional Airport Authority November 3, 2022 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority October 7, 2022 Regular Meeting Minutes:

B. Approval of the Greater Asheville Regional Airport Authority November 3, 2022 Special Meeting Minutes:

Mr. Lovin moved to approve Consent Items A and B. Ms. Russo Klein seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Construction Contract for the Air Traffic Control Tower and Associated Facilities Project: Jared Merrill informed the Board that due to the complexity of the air traffic control tower project, staff elected to pre-qualify contractors following Authority and state requirements. Four companies submitted statements of qualifications and all four companies were pre-qualified to bid on the project. Two bids were received on the November 4th bid date: Kokolakis Contracting and Archer Western (Walsh Group). The other two firms had notified staff in writing that they did not intend to submit bids. Mr. Merrill stated that the low bid was submitted by Kokolakis Contracting in the amount of \$44,344,052.00 which was 11% higher than the engineer's estimate of \$39.9 million. Mr. Merrill further stated that a number of comments were received during the bid process expressing concerns about completing the project within the modified 18-month construction schedule specified in the bid documents. As a result, an addendum was issued that directed bidders to submit their bids based on the 18-month construction schedule, however, with the caveat that once a contract was awarded, the Authority would extend the contract days provided the contractor supplied documented proof of its inability to complete the project on schedule due to supply chain issues. Mr. Merrill advised the Board that assuming this were to occur, additional costs for extended General Conditions incurred by the contractor would also be appropriate and would be based on

the Schedule of Values submitted with the original bid. Mr. Merrill stated that the cost of the project would be covered with a grant in the amount of \$15 million the airport expects to receive from the Bipartisan Infrastructure Law and the remainder with airport funds.

Mr. Merrill was asked if there were provisions to manage time for the project and Mr. Merrill responded that there were provisions in the contract to manage time and explained how the schedule of values would be utilized to manage costs.

Mr. Russell moved to approve a budget for the air traffic control tower and associated facilities in the amount of \$46,561,255.00 (\$44,344,052.00 bid plus 5% allowance of \$2,217,203.00); approve the contract with Kokolakis Contracting in the amount of \$44,344,052.00; and authorize the President & CEO to execute the necessary documents. Mr. Kennedy seconded the motion and it carried unanimously.

B. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY2024-2028: Jared Merrill advised the Board that it was time for the airport to submit a five-year CIP to the FAA to be eligible for federal project funding. Mr. Merrill reminded the Board that this program was a planning and administrative tool for staff, the FAA, and the NCDOT Division of Aviation. Approval of the CIP does not provide staff with authorization to award design or construction contracts. In addition to existing projects already underway such as the terminal building modernization and air traffic control tower projects, Mr. Merrill stated that the CIP included planned projects such as a new parking garage, various pavement rehabilitation projects, and ARFF equipment replacement.

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

C. Approval of Bond Post-Issuance Compliance Policies: Janet Burnette informed the Board that with the issuance of bonds, staff must adhere to certain compliance measures. The Post Issuance Tax Compliance Policy provides guidance to ensure the bonds retain tax-exempt status. In addition to this policy, staff will follow detailed directives to ensure compliance. Mrs. Burnette provided a brief explanation on the types of compliance outlined in the policy. Mrs. Burnette stated that the other policy, the Post-Issuance Securities Law Compliance Policy, primarily outlines the requirement of an annual report that must be filed with the federal government and also any event notices, such as rating changes or bond redemption changes, that must also be filed with the federal government.

Ms. Russo Klein moved to approve the new policies for the Post-Issuance Tax Compliance and Post Issuance Securities Law Compliance. Mr. Russell seconded the motion and it carried unanimously.

D. Approval of Updates to Purchasing/Procurement Policy: Janet Burnette reported that the Authority's current purchasing policy requires purchase orders for all purchases in the amount of \$1,000 or more. Staff recommended that the minimum amount requiring the issuance of purchase orders be increased to \$5,000.

The president stated that his current spending authority was \$60,000 and had been that amount for a number of years. The president asked Ms. Burnette to calculate the CPI adjustment from 2016 for the president's current spending authority, and at today's rate this would be equal to \$73,875. The president inquired if the Board would consider raising his spending authority to an amount closer to the CPI adjusted amount. A brief discussion ensued, and it was agreed that the president's spending authority would be raised to \$75,000 and that the president's spending authority would be included as an annual budget item for Board review and consideration. The Board also suggested that it would be helpful for the president to give a report of all spending close to the \$75,000 limit to give the Board an idea of what the spending looks like. The president stated that in the past most of the funds have been taken from contingency, and that he was required to report to the Board at the following Board meeting any funds spent from contingency. The Board agreed that while this was helpful, a tally from an occurrence would be beneficial as well.

Mr. Lovin moved to approve the updates to the Purchasing/Procurement Policy with the exception of the Procurement Approval Authority Items 1, 2 and 3 changing the president's authority to approve any type of procurement from \$60,000 to \$75,000 with an annual review of this authority. Ms. Russo Klein seconded the motion and it carried unanimously.

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

A. Update on ACI World Board Meeting: The president briefed the Board on his recent attendance at the ACI World Board Meeting and reviewed the global initiatives focused on by ACI including aviation workforce, capacity enhancements at airports, cyber security, accessibility, and advanced air mobility.

B. Thanksgiving Statistics: The president reported that so far only two airlines had reported numbers for the Thanksgiving holiday and totaled approximately 9,500 passengers from Wednesday through Sunday. The president provided comparisons from 2009, 2019, and 2021 and stated that 2022 would far surpass enrollment numbers for those years.

C. Runway 5k: Preliminary numbers of the proceeds from the runway 5k appear to be just over \$19,000. The proceeds will be split between the WNC Pilots Association Education Foundation and AB Tech Pilot Program for their scholarship fund.

D. Board Informational Report: The president stated that a new report had been added to the traffic report for the Board's review. A graph chart summarizing the data from the three-month schedule report will make it easier to review and will be included in each month's traffic report.

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 9, 2022.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:53 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. Russell seconded the motion and it carried by a 6 to 0 vote as Ms. Russo Klein had briefly stepped out of the meeting.

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

Open Session resumed at 10:14 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY NOVEMBER 18, 2022

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. Ms. Russo Klein seconded the motion and it carried unanimously.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY NOVEMBER 3, 2022 CLOSED SESSION MINUTES:

Mr. Lovin moved to approve the minutes for the Greater Asheville Regional Airport Authority November 3, 2022 Closed Session and to seal and withhold the minutes for the November 3, 2022 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Russell seconded the motion and it carried unanimously.

ADJOURNMENT: Ms. Russo Klein moved to adjourn the meeting at 10:18 a.m. Mr. Kennedy seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Brad Galbraith
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Chief Financial Officer

DATE: December 9, 2022

ITEM DESCRIPTION – Consent Item B

Approval of Amendment to the FY22/23 Budget for Salary Adjustment

BACKGROUND

The FY22/23 budget was adopted by the Authority Board on April 8, 2022. Within this budget was funding for a 6% salary adjustment, including a 3.0% cost of living increase and a maximum of 3.0% merit increase for all employees. This salary adjustment pool is currently a part of the Administration Department budget. We now need to amend the FY22/23 budget to account for these adjustments in the appropriate departments based upon actual costs.

ISSUES

None.

ALTERNATIVES

None

FISCAL IMPACT

The budget amendment reallocates already approved funding and does not impact the FY22/23 budgeted revenues or expenditures.



RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY22/23 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 30,2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administration Dept.	\$347,815	
Executive Dept.		\$34,660
Finance Dept.		20,778
Guest Services Dept.		14,233
Information Tech. Dept.		29,435
Marketing Dept.		17,388
Operations/Maint. Dept.		111,463
Planning Dept.		18,931
Properties Dept.		8,533
Public Safety Dept.		92,394
	<hr/>	<hr/>
	<u>\$347,815</u>	<u>\$347,815</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	<hr/>	<hr/> \$0
Totals	<hr/> <hr/>	<hr/> <hr/> \$0



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 9th day of December 2022.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Christina Madsen, VP Business Development & Properties

DATE: December 9, 2022

ITEM DESCRIPTION – Consent Item C

Approval of Updates to Off-Airport Rent A Car Business Regulations Policy

BACKGROUND

The purpose for the revision to this Policy is to ensure consistency with other similar types of operators at the Asheville Regional Airport (“AVL”).

The current Off-Airport Rent A Car fee to be paid to the Greater Asheville Regional Airport Authority is 7.5% of Gross Receipts. To create consistency with the recently adopted Peer-to-Peer Vehicle Sharing Policy and eliminate confusion with rental car operators, staff is recommending fees for both classes of operators be the same at 10% of Gross Receipts. The proposed changes are attached which increase the percentage fee for any location on the airport. All other requirements remain unchanged.

ISSUES

None

ALTERNATIVES

None

FISCAL IMPACT

Each Provider will be required to pay the Authority 10% of gross receipts to conduct a commercial business at the Asheville Regional Airport, regardless of where they are operating. The revenues will be dependent upon their activity.

Consent - Item C



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to approve the updates to the Off-Airport Rent A Car Business Regulation Policy.

Attachment

OBJECTIVE

To promote and enhance public convenience and order, the efficient movement and control of passengers and traffic to and from the Airport, and the efficient and safe use of the Airport's limited space and facilities, particularly the limited space at curbside in front of the Terminal Building; to help pay for the maintenance, operation and improvement of the Airport; to enhance the financial stability and viability of the Authority; to help make the Authority as self-sustaining as reasonably possible; and to foster competition among rent-a-car businesses.

METHOD OF OPERATION

It is necessary for the maintenance, operation, regulation and improvement of the Airport that this regulation be enacted with respect to off-Airport rent-a-car businesses which derive commercial benefit from the use of the Airport or its facilities.

Off Airport rent-a-car businesses use the Airport and its facilities for private business and commercial interests and purposes without having leases, agreements or concession contracts with the Authority or licenses from the Authority.

Definitions

The following words, terms and phrases shall have the following meanings:

Off Airport Rent-A-Car Business means engaging in the rental and/or short-term leasing of vehicles by an "off Airport rent-a-car business operator". (As used in this Regulation, the words "short term" shall mean a period of forty or less consecutive days.)

Off Airport Rent-A-Car Business Operator (Operator) means any partnership, corporation, enterprise, person or other entity which engages in the rental and/or short-term leasing of vehicles and which does not have a lease, agreement or concession contract with, or a license from, the Authority granting the privilege of having an office or offices, counter space, or any other facility on the Airport from which to conduct its rent-a-car business. (For purposes of gender, the word "it" as used in this Regulation in lieu of the word "Operator" shall be deemed to include "he" and "she".)

Gross Receipts means all fees and charges from all of the

Operator's business originating on, at, from and with respect to the Airport (including but not limited to reservations made through travel agencies and reservations made by telephone, facsimile, telegraph and other means of communication, and including but not limited to all base, time and mileage fees and charges from the Operator's customers for the rental of vehicles and the short-term leasing of vehicles), plus all premiums and other fees and charges (regardless of how they may be denominated) for personal accident insurance coverage, personal effects insurance coverage, personal effects protection insurance coverage, liability insurance supplement, additional liability insurance coverage, and other types and kinds of insurance coverage's and policies (regardless of how they may be denominated, regardless of parties covered, and regardless of the risks insured against), plus all sums for insurance waivers, collision damage waivers, and loss damage waivers, whether cash or credit, and whether collected or uncollected. Gross Receipts do not include the following: sales taxes which are separately stated on the Operator's vehicle rental agreements and vehicle short-term leasing agreements and which the Operator collects and remits separately to a government taxing authority; gasoline refueling service fees which are paid by customers upon the return of vehicles to the Operator, for gasoline pumped into the vehicles after their return to the Operator; compensation received by the Operator from customers and insurance carriers in payment of actual damages to, or the destruction or theft of, vehicles and other personal property of the Operator; and compensation received from any final commercial sale of a vehicle or other personal property of the Operator or an unrelated third party (provided that the Operator does not regain or retain any title, right, interest or ownership in or to the vehicle or other personal property).

For the purposes of this definition of "Gross Receipts", it shall be presumed that, if a customer's business address or residential address is beyond a radius of fifty miles from the Airport, all charges and sums (as identified above in this paragraph) relative to such customer are to be included in the Gross Receipts; and the burden shall be upon the Operator to rebut this presumption by clear and convincing documentation.

Park or The parking of means to put or leave or let a vehicle stand or stop in any location on the Airport (including but not limited to the Airport's short-term pay

parking lot, the Airport's long-term pay parking lot, and the premises of a fixed base operator), whether the driver thereof leaves or remains in such vehicle, when such standing or stopping is not required: by a traffic control, a Public Safety Officer, ~~Executive Director~~[President & CEO](#), the ~~Director of Operations and Maintenance~~[VP Operations and Maintenance](#), or designee, or conditions beyond the control of the driver; to enable the driver to enter the Terminal Building in order to locate a customer who has a pre-existing reservation for the rental or short-term leasing of a vehicle; or to enable a passenger, with his or her baggage (if any), to get into or out of such vehicle. (Nothing herein shall be deemed to authorize the parking of any vehicle in an otherwise restricted or prohibited area at the Airport.)

Solicit means, directly or indirectly, actively or passively, and at the Airport, to ask, request, seek or try to obtain a customer or customers for an Operator.

Bidding Option

None

Loading Areas

Commercial Curb or as otherwise specified by the ~~Executive Director~~[President & CEO](#), the ~~VP~~[Director of](#) Operations and Maintenance, or designee.

Solicitation

No Operator or any of its employees or agents shall solicit business while at the Airport.

Statement of Information

On or before January 10th of each calendar year, each Operator shall deliver to the Authority at the ~~Executive Director~~[President & CEO](#)'s office a written and legible statement setting forth the following information: the Operator's full legal name, assumed name, street address, mailing address, telephone number and facsimile telephone number; and an itemize description of each vehicle which is to be used at the Airport in the Operator's off-Airport rent-a-car business (which description shall include each vehicle's license number, state of registration, make, model, color and year). If any of this information changed during the year after the delivery of this statement (including but not limited to the deletion or addition of a vehicle), a supplemental written and legible statement shall be forthwith delivered to the Authority at the ~~Executive Director~~[President & CEO](#)'s office.

Commercial Vehicle Identification

Annual Permit Fee By reason of the nature of their business activities and the relationship between such business activities and passengers arriving at and departing from the Airport, off-Airport rent-a-car business operators ("Operators") conduct a significant portion of their businesses on, at, from and with respect to the Airport, and in so doing, they use the Airport and its facilities in furthering their own business and commercial interests and purposes, for which privilege a reasonable privilege fee ("Fee") should be paid to the Authority.

In establishing the Fee, as set forth below, due regard and consideration has been given by the Authority to, among other things, the value of the Airport and its facilities which are used by the Operators, and the Authority's expenses for the maintenance, operation and improvement of the Airport and such facilities.

As a consequence of the Operators carrying out their business activities, additional vehicular and pedestrian traffic is created at the Airport, which, among other things, increases the need to regulate traffic.

Monthly Fees In view of the above findings and with due regard for the facilities at the Airport and the maintenance, operation, regulation and improvement thereof, the Fee, as set forth below, is reasonable, necessary and proper.

Each Operator shall pay to the Authority at the office of the Authority's ~~Executive Director~~[President & CEO](#) ("~~Executive Director~~[President & CEO](#)") a Fee for each calendar month, which Fee shall be payable on or before the twentieth day of each month for the previous month. The Fee due each month shall equal 107.5% of the Gross Receipts during the previous month; ~~provided that, if at any time during such previous month an Operator parks, or permits the parking of, a vehicle or vehicles (which are intended for, or which are utilized for, rental or short term leasing purpose or purposes) in the Airport's short term pay parking lot or in the Airport's long term pay parking lot or on the premises of a fixed base operator located on the Airport, the Fee due for the month shall equal 10% of the Gross Receipts during such previous month.~~

Reporting On or before the twentieth (20th) day of each month, each Operator shall deliver to the Authority at the ~~Executive Director~~[President & CEO](#)'s office a written and legible report ("Report") for the previous month's Gross Receipts in such detail, form and manner as directed by the ~~Executive~~

| [DirectorPresident & CEO](#) from time to

time. The Reports shall be certified by an authorized representative of the Operator.

In addition to these Reports, each Operator shall, within ninety days after the close of each of the Operator's fiscal or calendar years, deliver to the Authority at the ~~Executive Director~~[President & CEO's](#) office a certified yearly financial statement from the Operator's accountant, stating the amount of the Operator's Gross Receipts during such year. This statement shall be verified and acknowledged in writing by an officer of the Operator (if a corporation), general partner (if a partnership) or owner. Upon the Authority's request, the Operator shall deliver to the ~~Executive Director~~[President & CEO](#) copies of all working papers supporting this statement.

In addition to these Reports and certified yearly financial statements, each Operator shall keep legible and accurate books of account and records (including but not limited to invoices, sales slips, customer credit records, and North Carolina sales tax reports) covering its off-Airport rent-a-car and its Gross Receipts, and each such book of account and record shall be safe-guarded by the Operator for a period of not less than five years.

Should the Authority elect from time to time to audit the reports, or any of them, each Operator shall provide the Authority and its representatives unlimited access to all such books of account and records, which shall be made available upon the Authority's request, and which may be examined and copied by the Authority and its representatives. Also, upon the Authority's request, the Operator shall make personnel available to explain any information or entry set forth therein. If an audit discloses that the Reports then being audited understated the Operator's Gross Receipts by 2% or more, such Operator shall forthwith reimburse the Authority for all costs and expenses of the audit. In addition to all of the other rights and remedies of the Authority, all portions of the understated amounts due to the Authority as Fees shall be paid immediately, with interest at the highest legal rate.

Compliance

The following additional provisions are applicable to the Operators:

Nothing in this Regulation bestows or grants to any Operator any exclusive privilege.

The Authority has, has had, and shall continue to have the absolute right to develop, expand, improve and renovate the Airport (including but not limited to the Terminal Building), regardless of the desires or views of any Operator and without interference or hindrance from any Operator; and the Authority may continue to so develop, expand, improve and renovate the Airport.

All of the employees and agents of each Operator shall be courteous at all times while at the Airport, and they shall not use improper language or act in a loud, boisterous or otherwise improper manner while at the Airport

The use of an illicit drug or the drinking of an alcoholic beverage by any of the Operator's employees or agents while at the Airport is prohibited.

The vehicles made available by each Operator shall be maintained in good operator order, free from known mechanical defects.

Each Operator shall comply with all federal, state and local laws, ordinances, rules and regulations applicable to the conduct of its business at the Airport.

Each Operator shall comply with all of the Authority's current and future regulations and policies concerning the operation and use of the Airport.

If so authorized by the Authority from time to time, each Operator may use in common with other providers of rent-a-car services or other Operators a passenger loading and unloading temporary parking area, which use shall be in accordance with all directives (if any) of the [Executive Director/President & CEO](#), the [VP Director of Operations](#) and Maintenance, or Designee. The Authority shall not be responsible for snow or ice removal from any such temporary parking area.

Each Operator shall indemnify the Authority and its present and future officers, members, [Executive Director/President & CEO](#), employees and agents harmless at all times in the future for, against and from all claims, demands, judgments, settlements, damages, losses, costs and expenses (including but not limited to attorneys' fees) which related to or arise out of the conduct of the Operator's business at the Airport or the use or operation of any of the Operator's vehicles.

Each Operator shall purchase and maintain comprehensive

general liability insurance coverage in at least the amount of \$1,000,000 relative to its acts and omissions at the Airport. The Authority and its present and future officers, members, ~~Executive Director~~[President & CEO](#), employees and agents shall be named as additional insured under such policy.

Each Operator shall forthwith deliver to the ~~Executive Director~~[President & CEO](#) a certificate of the above insurance coverage. The certificate shall provide that the coverage referred to therein shall not be terminated, modified or renewed until the Authority has received thirty days written notice thereof. In the event that an insurance carrier should terminate, modify or not renew the above insurance coverage, the Operator shall immediately contract with another insurance carrier to provide the requisite coverage and shall immediately deliver to the ~~Executive Director~~[President & CEO](#) a replacement certificate.

The above coverage shall be written through an insurance carrier or carriers which are qualified to do business in the state of North Carolina.

The Operators may use in common with others the authority's roads and driveways, unless otherwise restricted.

Each Operator is an independent contractor, and no Operator is the agent, partner or employee of the Authority.

If any of the provisions of this Regulation, or any portion thereof, shall contravene or be invalid under the laws or regulations of the State of North Carolina or the United States of America, or any of their respective agencies, departments or subdivisions, such contravention or invalidity shall not invalidate the whole Regulation, but this Regulation shall be construed as if not containing the particular provision, or portion thereof, held to be in contravention or invalid, and the rights and obligations of the Operators and the Authority shall be construed accordingly. North Carolina shall govern and apply to this Regulation.

Violations

In the event that the Authority employs an attorney for the collection of any unpaid Fee, or portion thereof, the Operator shall pay to the Authority the sum of 15% of the outstanding balance as reasonable attorney's fees for services rendered to the Authority in that regard.

**RIGHT TO AMEND
POLICY**

This Regulation may be amended from time to time by the Authority.

**APPROVAL AND
UPDATE HISTORY**

Approval August 8, 2014

Supersedes June 11, 2010, December 11, 2006, December 1, 1991;
January 20, 1992, August 17, 1992, [December 9, 2022](#)



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Chief Financial Officer

DATE: December 9, 2022

ITEM DESCRIPTION – New Business Item A

Presentation of the Annual Audited Financial Report for Fiscal Year 2021/2022

BACKGROUND

The annual audit for the fiscal year ended June 30, 2022 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 2021/2022 Audit Report as presented.

New Business - Item A



Greater Asheville Regional Airport Authority

2022 Audited Financial Statements

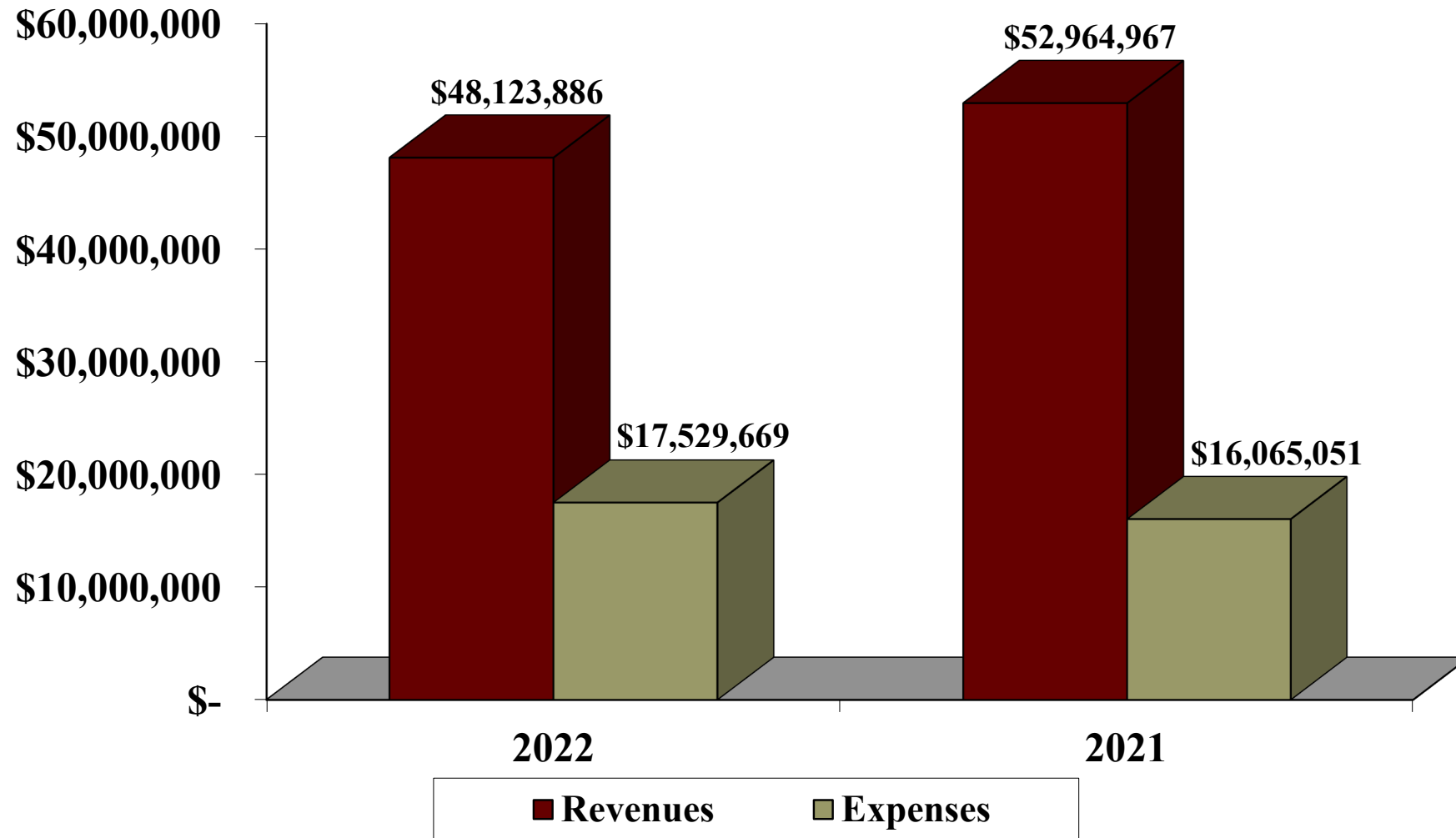


Audit Highlights

UNMODIFIED OPINION

COOPERATIVE STAFF

BUSINESS-TYPE ACTIVITIES SUMMARY

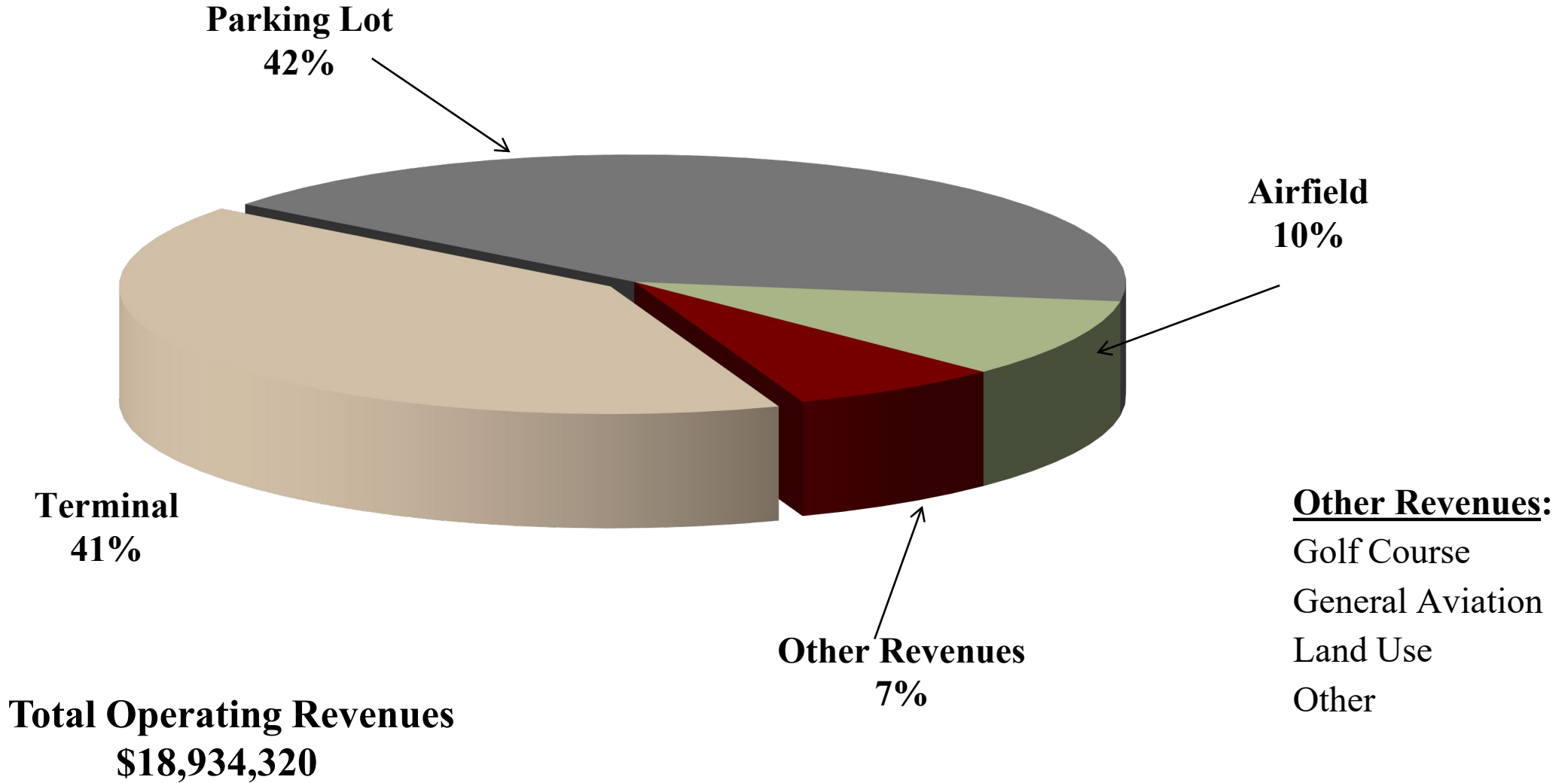


UNRESTRICTED NET POSITION BUSINESS-TYPE ACTIVITIES

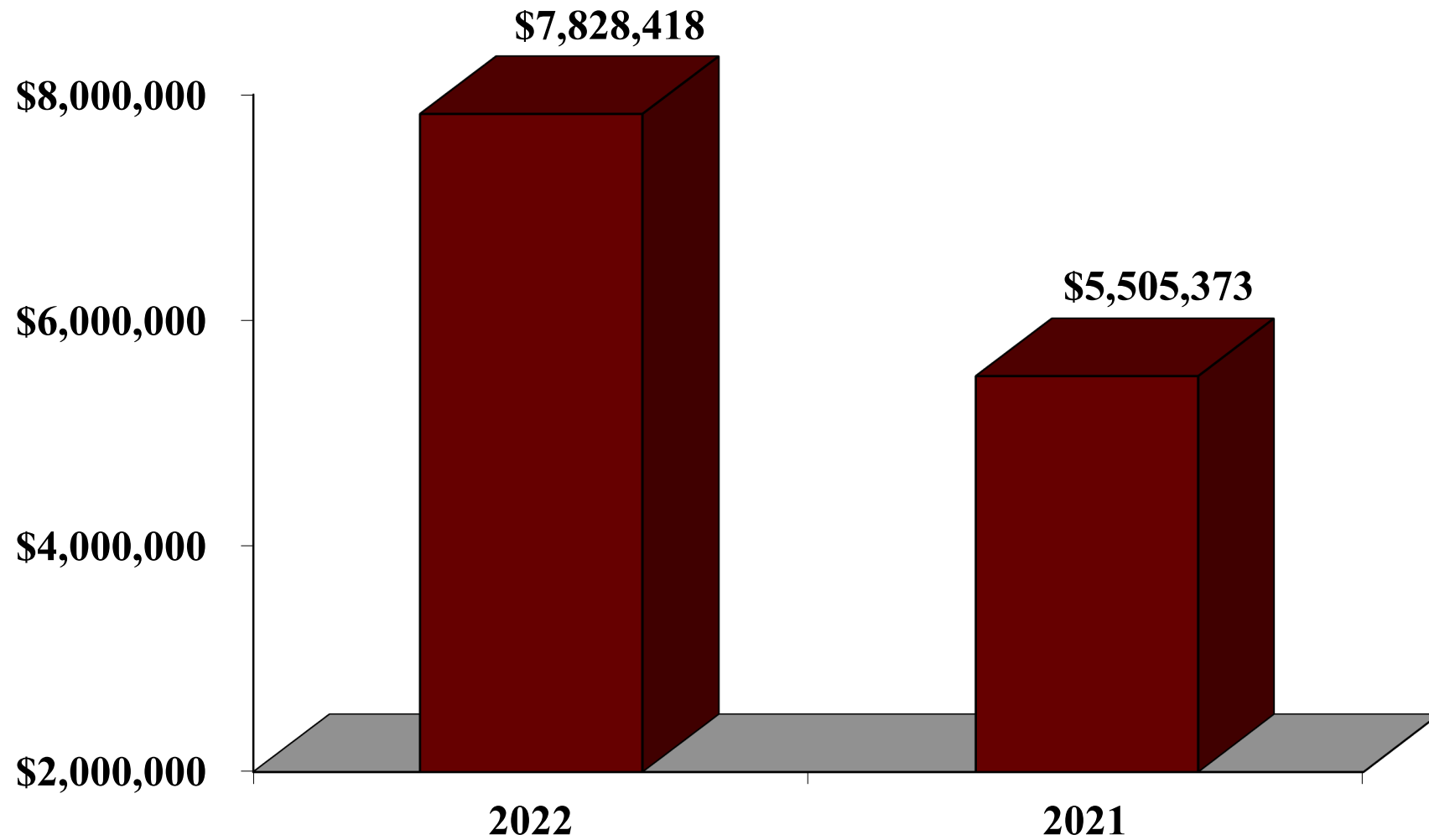
Total Net Position	\$ 236,575,780
Net Investment in Capital Assets	(189,300,270)
Restricted Net Position	<u>(209,532,322)</u>
Unrestricted Net Position	(162,256,812)
Unrestricted Net Position 2021	<u>(1,954,372)</u>
Decrease in Unrestricted Net Position	<u><u>\$ (160,302,440)</u></u>



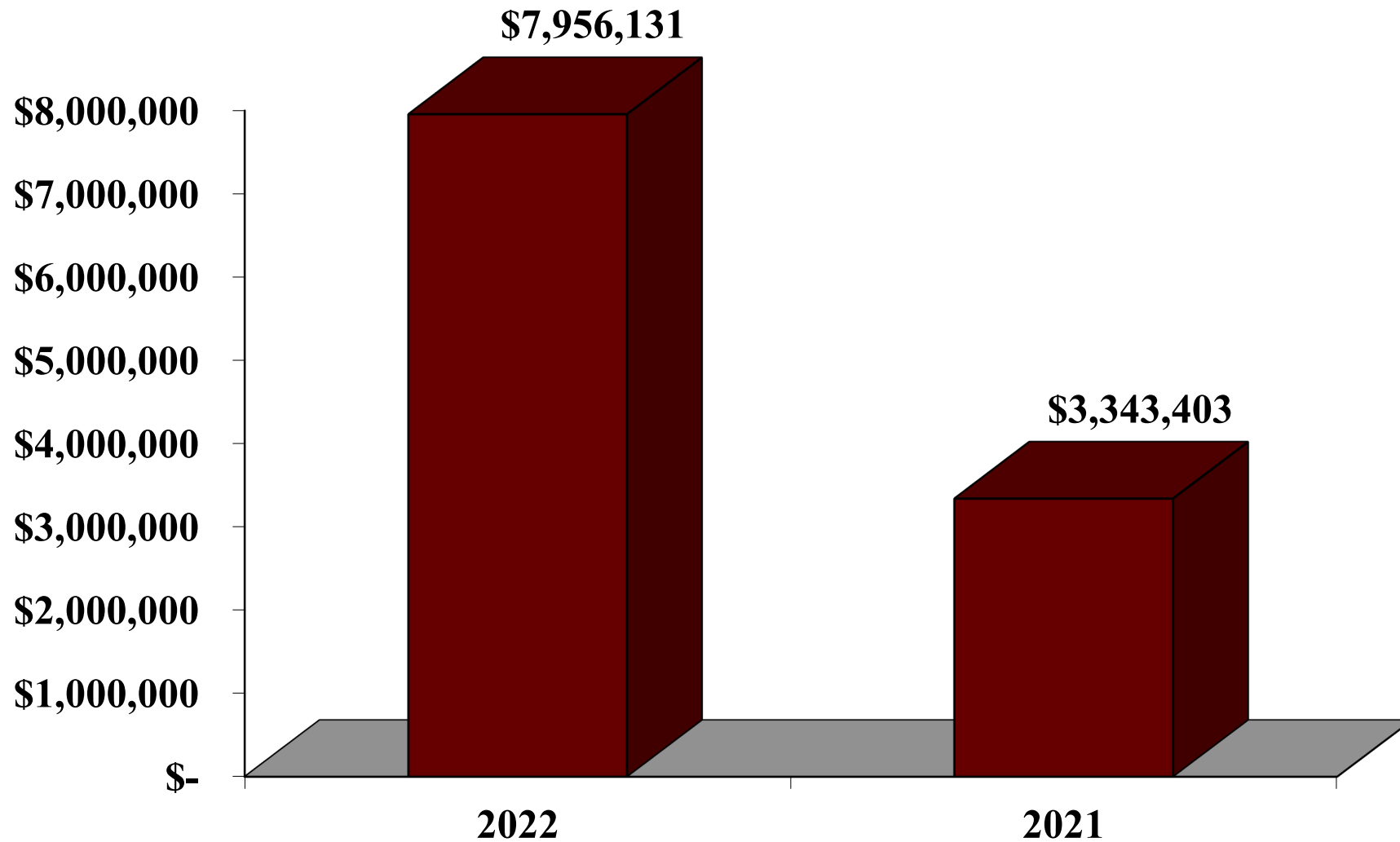
REVENUES



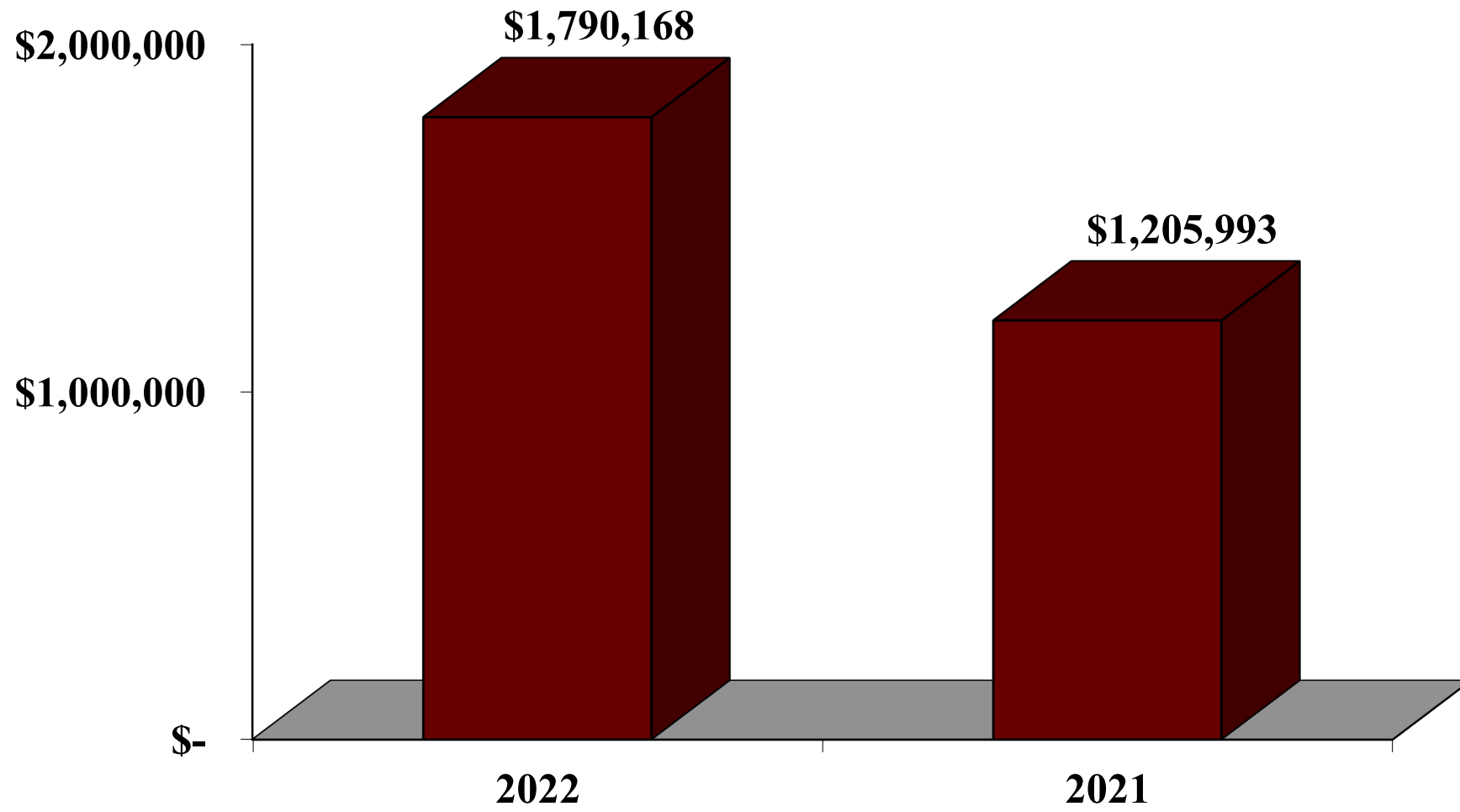
TERMINAL



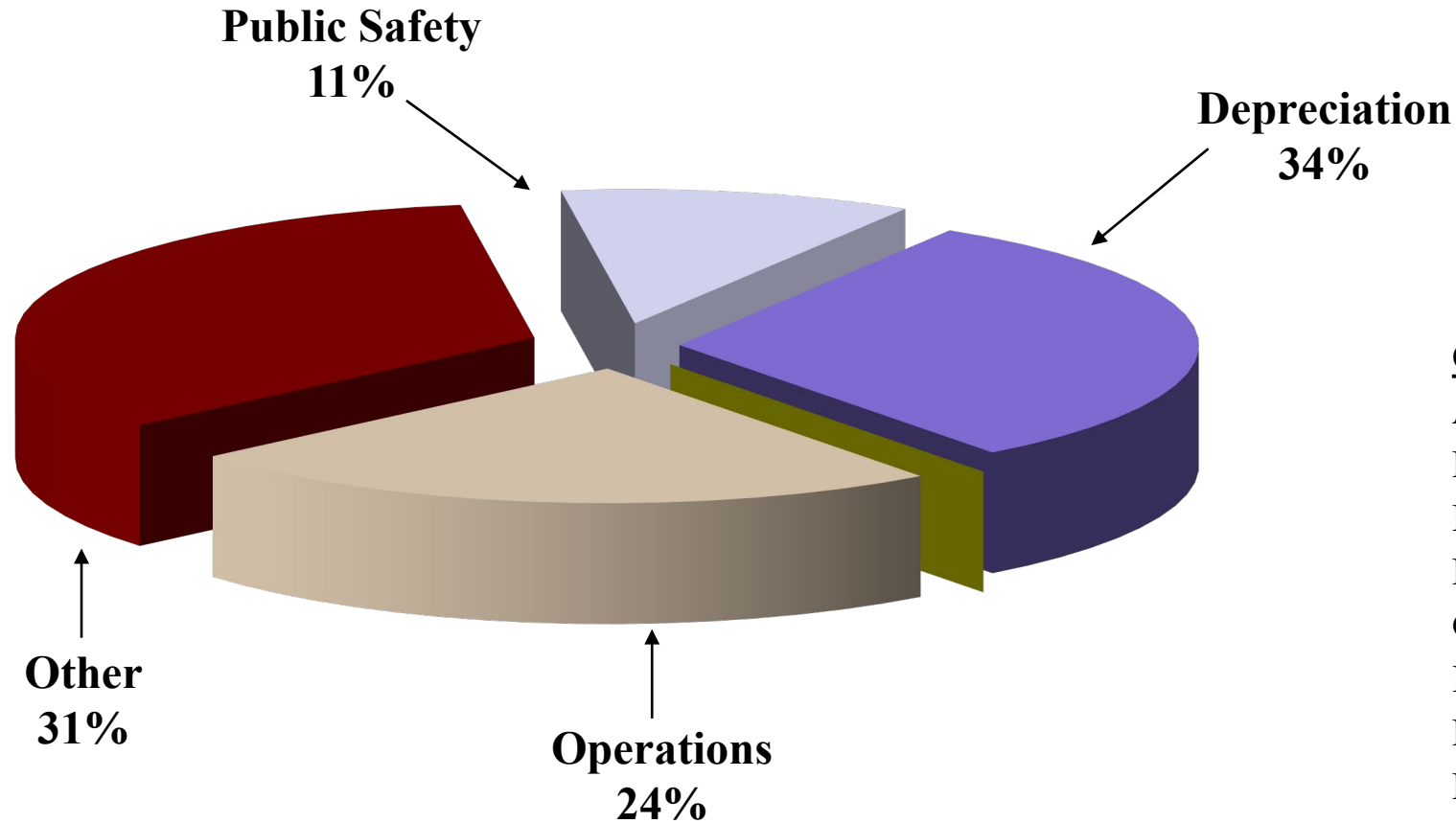
PARKING LOT



AIRFIELD



EXPENSES

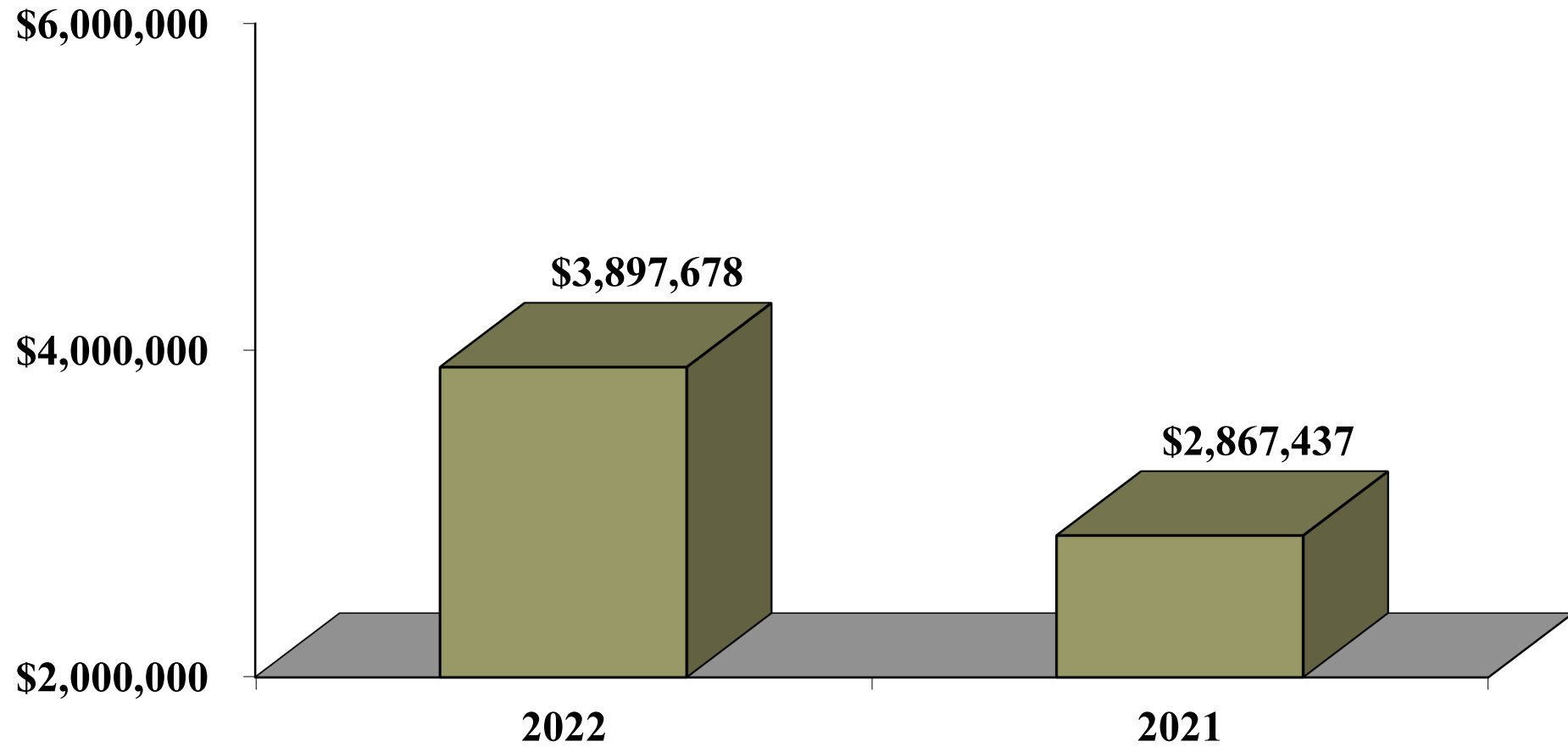


Other Expenses:

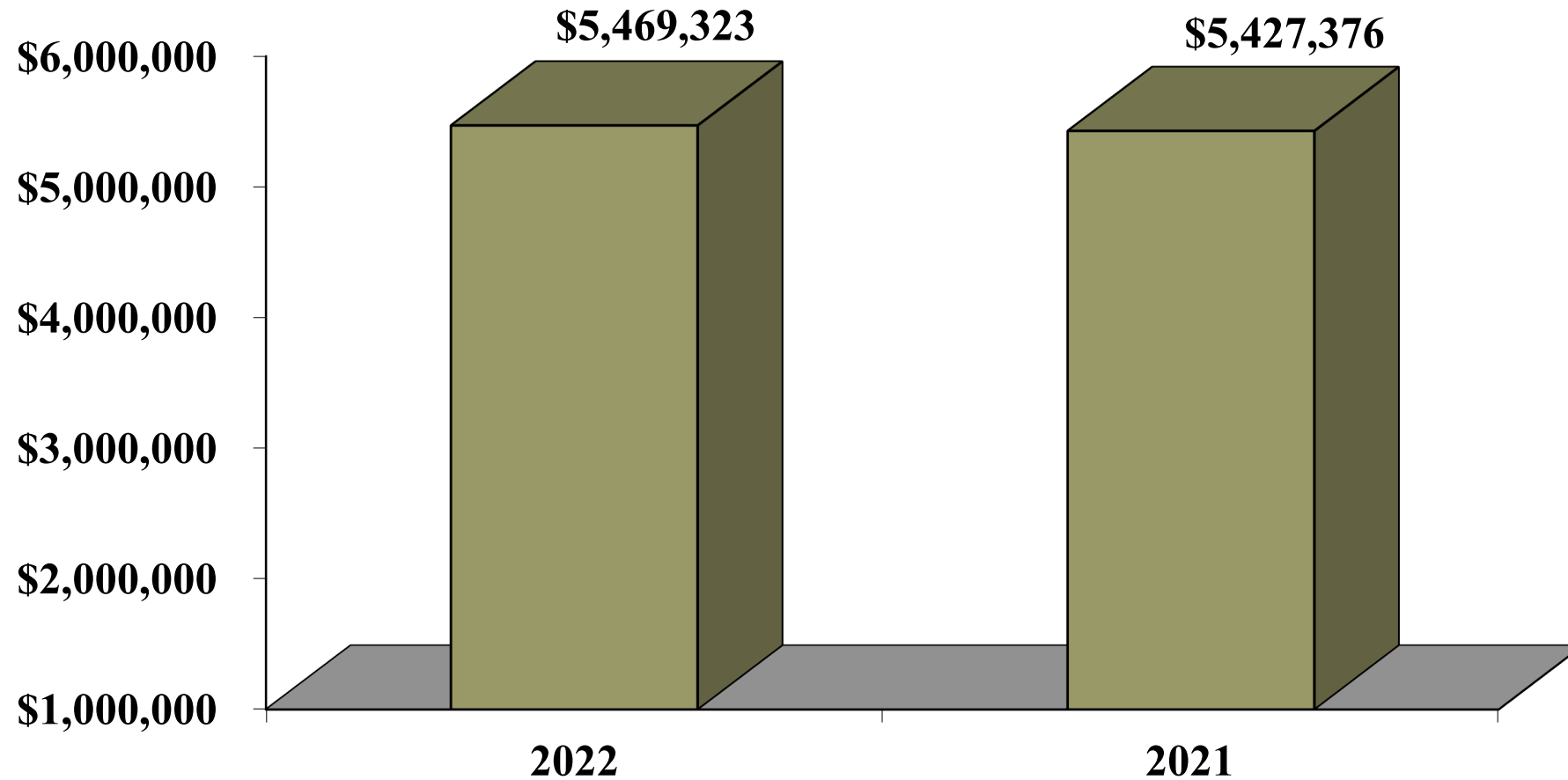
- Administration
- Planning
- Executive
- Finance
- Guest Services
- Information Technology
- Marketing
- Business Development
- Properties and Contracts
- Gold Course
- CRRSA

Operating Expenses Total
\$16,259,440

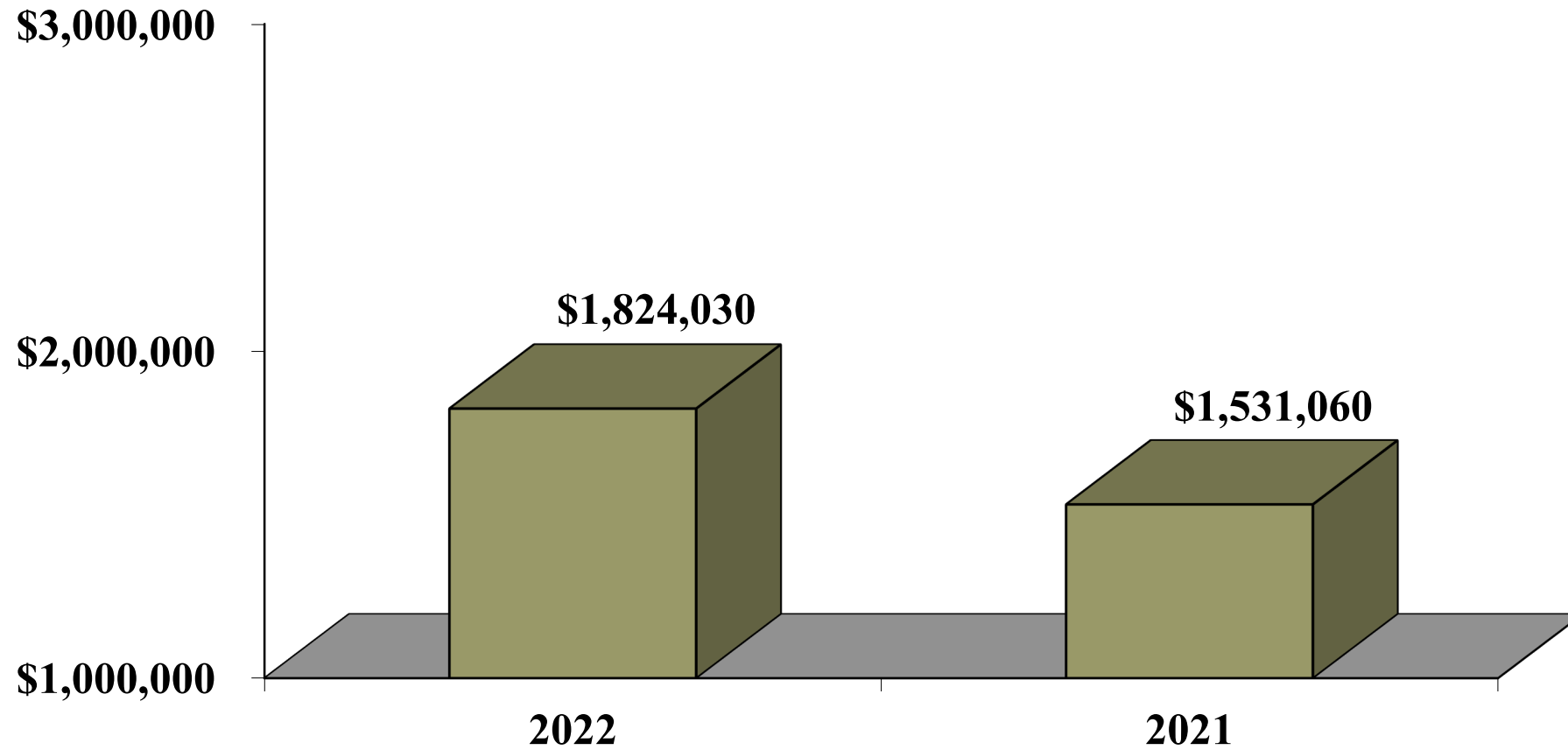
OPERATIONS



DEPRECIATION



PUBLIC SAFETY



QUICK RATIO

	<u>2022</u>	<u>2021</u>
Current Assets	\$ 41,770,975	\$ 17,077,648
Current Liabilities	\$ 5,632,734	\$ 8,467,952
Quick Ratio	7.42	2.02



GENERAL PERFORMANCE INDICATORS



- ❑ No “red flags”
- ❑ Timely audit submission



Questions?

Elsa Watts



828-327-2727



ewatts@msa.cpa



www.msa.cpa



**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

Brad Galbraith, Chair
George Erwin, Jr., Vice-Chair

Robby Russell
Carl H. Ricker, Jr.
Nathan Kennedy
Britt Lovin
Susan Russo Klein
Cindy Rice, Attorney

President/CEO

Lew S. Bleiweis, A.A.E.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022

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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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Greater Asheville Regional Airport Authority (the “Authority”), as of and for the years ended June 30, 2022 and 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.

In our opinion, the accompanying 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, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 4 to the financial statements, in 2022 the Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, and 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 is the responsibility of management and, 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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 27, 2022 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 27, 2022

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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, 2022. 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 “President and CEO”), who is the chief administrator and executive officer of the Authority. The President and CEO manages the Airport under the Authority’s control with a staff of 74 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 104th largest airport in the United States based on the number of passenger-boardings during calendar year 2021.¹

As of June 30, 2022, Asheville Regional Airport had non-stop commercial flights to 24 cities (Atlanta, Austin, Baltimore, Boston, Charlotte, Chicago, Dallas/Ft. Worth, Denver, Destin, Fort Lauderdale, Houston, Key West, Las Vegas, Minneapolis, Newark, New York City, Miami, 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, JetBlue Airways, Sun Country Airlines 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 2021

AIRPORT ACTIVITIES AND HIGHLIGHTS

<u>For Year Ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Enplanements	840,713	456,187	619,599

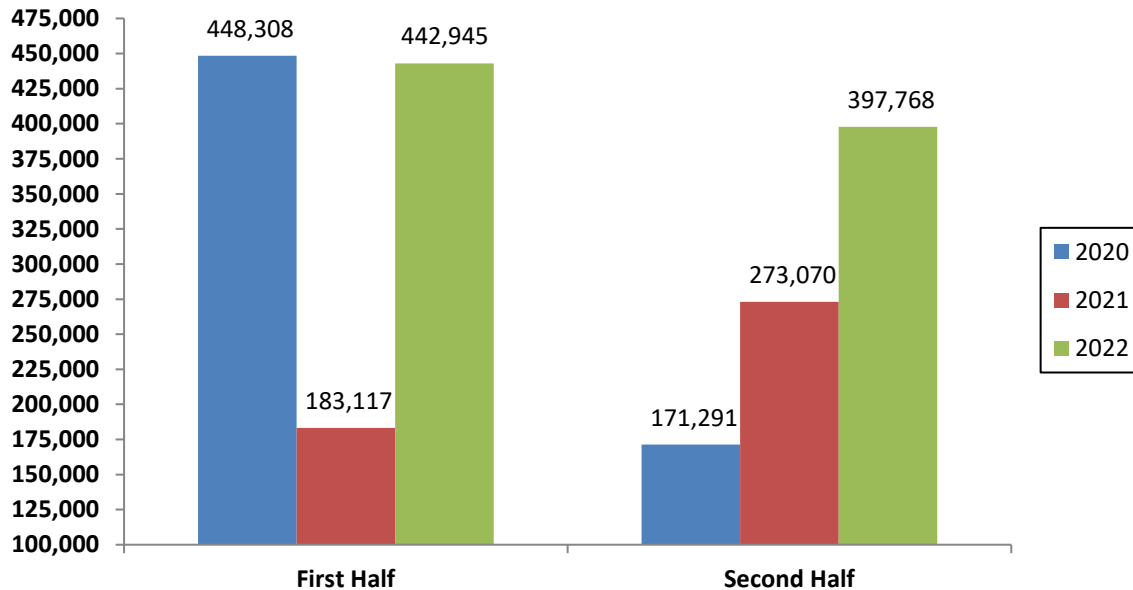
Revenues per enplanement:

Airlines	\$ 5.01	\$ 6.09	\$ 5.43
Rental cars	5.51	6.54	4.58
Parking facility	9.16	6.98	8.44
Concessionaires	1.09	1.01	1.12

Enplanements increased by 84.3% in fiscal year 2022:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Aircraft Movements (Land or Takeoff):</i>			
Airline	26,613	21,237	20,939
General aviation	46,481	42,562	43,380
Military	5,315	3,358	2,390
Total	78,409	67,157	66,709

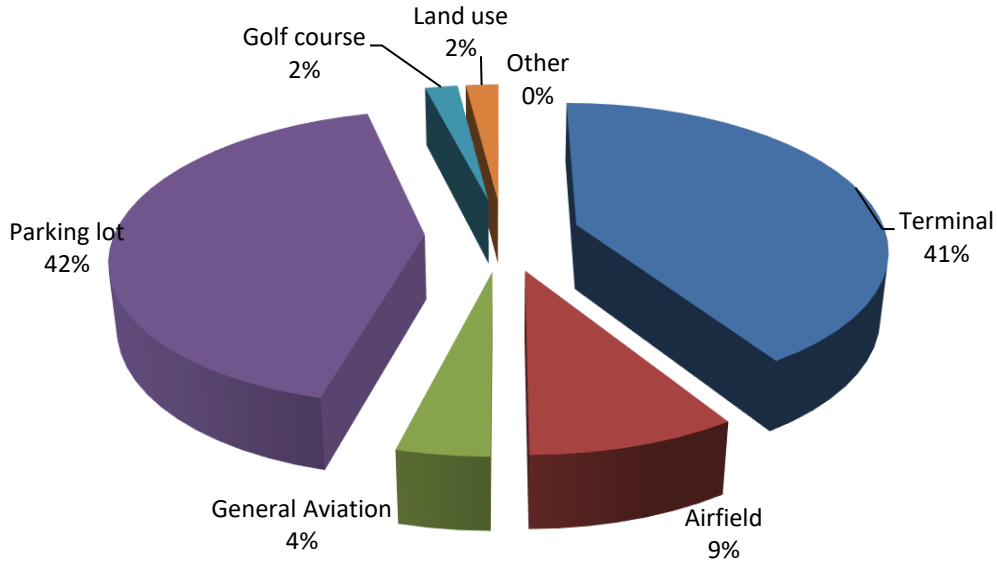
Passenger Enplanements for Fiscal Year

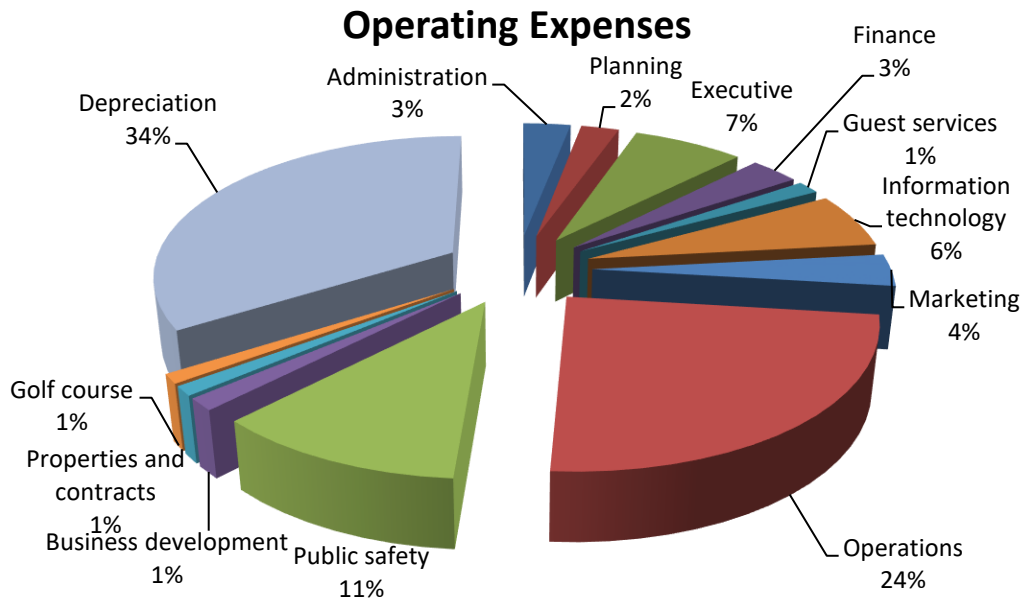


SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

<u>For Year Ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 18,934,320	\$ 13,895,827	\$ 14,199,403
Operating expenses	<u>16,259,440</u>	<u>15,674,253</u>	<u>14,588,104</u>
Operating loss before non-operating revenues and expenses	2,674,880	(1,778,426)	(388,701)
Non-operating revenues and expenses, net	<u>5,663,180</u>	<u>3,539,977</u>	<u>4,333,348</u>
Income (loss) before capital contributions	8,338,060	1,761,551	3,944,647
Capital contributions	<u>22,256,157</u>	<u>35,138,365</u>	<u>10,328,288</u>
Increase in net position	<u>\$ 30,594,217</u>	<u>\$ 36,899,916</u>	<u>\$ 14,272,935</u>

Operating Revenues





FINANCIAL POSITION SUMMARY

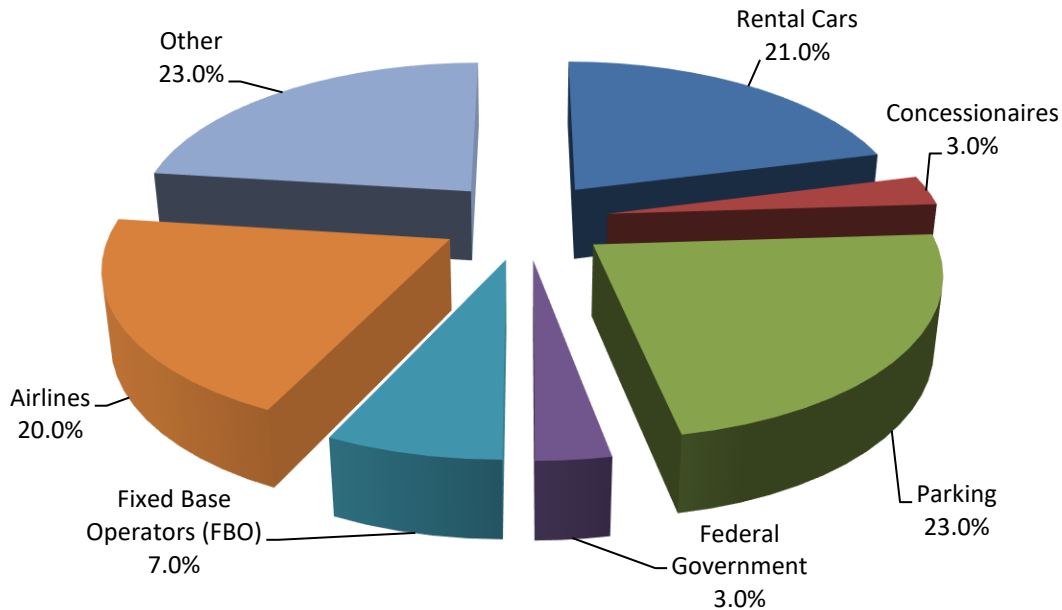
Net position may serve, over time, as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$236,575,780 at June 30, 2022, an increase of approximately \$30.6 million from June 30, 2021, and roughly a \$67.4 million increase from June 30, 2020.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:			
Current assets	\$ 41,770,975	\$ 19,232,904	\$ 16,773,027
Restricted assets	209,571,819	11,769,175	14,644,366
Capital assets	222,750,037	213,951,410	166,894,747
Deferred outflows of resources	<u>2,051,683</u>	<u>1,618,268</u>	<u>914,393</u>
Total assets and deferred outflows of resources	<u>476,144,514</u>	<u>246,571,757</u>	<u>199,226,533</u>
Liabilities:			
Current liabilities	6,150,202	8,811,628	10,477,680
Non-current liabilities	213,645,922	18,879,812	19,279,598
Deferred inflows of resources	<u>19,772,610</u>	<u>12,898,754</u>	<u>387,608</u>
Total liabilities and deferred inflows of resources	<u>239,568,734</u>	<u>40,590,194</u>	<u>30,144,886</u>
Net Position:			
Net investment in capital assets	189,300,270	197,646,410	149,309,747
Restricted	209,532,322	10,289,525	10,687,520
Unrestricted	<u>(162,256,812)</u>	<u>(1,954,372)</u>	<u>9,084,380</u>
Total net position	<u>\$ 236,575,780</u>	<u>\$ 205,981,563</u>	<u>\$ 169,081,647</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, 2022.



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	2022	2021	2020
Cash flows from operating activities	\$ 6,356,486	\$ 2,665,487	\$ 6,633,975
Cash flows from investing activities	1,180,688	32,371	374,504
Cash flows from capital and related financing activities	<u>209,771,952</u>	<u>(6,672,836)</u>	<u>(12,253,707)</u>
Net increase (decrease) in cash and cash equivalents	217,309,126	(3,974,978)	(5,245,228)
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>22,982,549</u>	<u>26,957,527</u>	<u>32,202,755</u>
End of year - June 30	<u>\$ 240,291,675</u>	<u>\$ 22,982,549</u>	<u>\$ 26,957,527</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2022, the Authority expended \$16.2 million on capital activities. This included the following major projects:

- \$2.8 million on south apron expansion
- \$10.1 million on terminal design
- \$1.3 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>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$ 10,669,599	\$ 10,635,724	\$ 7,796,901
Construction in progress	32,448,674	129,905,034	96,706,870
Leasehold improvements	160,197,403	59,490,642	59,087,071
Equipment	2,351,675	2,544,035	2,128,232
Furniture	10,852	23,451	39,371
Vehicles	684,552	896,290	1,136,302
Capital assets, net of accumulated depreciation	<u>\$ 206,362,755</u>	<u>\$ 203,495,176</u>	<u>\$ 166,894,747</u>

Long-Term Debt

As of June 30, 2022, the Authority has the following long-term debt:

LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Greater Asheville Regional Airport Authority system revenue bonds	<u>\$ 199,990,000</u>	<u>\$ 16,305,000</u>	<u>\$ 17,585,000</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 past fiscal year due to the pent-up travel demand resulting from the pandemic. Summer of 2021 was the busiest summer in the airport's history. The last four months of the fiscal year showed higher passenger utilization than any other time in the Airport's history. Six carriers served the airport. Staff continues to advocate for additional airlines. Authority management continues to seek additional non-stop service to its top 25 origin and destination markets, and the Authority has adjusted its airline incentive policy to facilitate this growth. Allegiant Travel Company continues to grow its presence and continues to have the largest market share of the air carriers operating from the airport. American Airlines continued to add more new destinations, such as Austin, Boston, Chicago, Miami, New York, and Washington DC for summer seasonal service. American continues to be the airport's second largest carrier by market share and has widened the spread between them and Delta.

Authority management continues to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. The Authority entered into a long-term agreement with DreamCatcher Broadmoor, LLC to develop a minimum of a 145-room, four diamond or equivalent, hotel with 12,000 square feet of conference space, and to upgrade the golf course. Construction should begin in early 2023. Development of non-aeronautical revenues remains a high priority with the Authority, and staff continues to work with the local economic development authorities to attract domestic and international manufacturing opportunities to the local community.

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. The first two construction component phases are under construction. The final component is still in final design and phasing development. The Authority went to the bond market in May and closed on June 1, 2022 for the first series of bonds totaling \$185M. The second series totaling up \$90M will be issued in fiscal year 2023.

The federal government passed the BIL legislation early in 2022 that will provide \$25B for airport infrastructure grants over a period of five years. Out of that \$25B, \$5B, over the same time period, is available for terminal and airport owned control tower capital projects. The Authority received \$15M in the first year to be used towards the new control tower.

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 30,719,856	\$ 11,213,374
Accounts receivable	1,137,442	1,348,819
Grants receivable	4,709,404	2,619,903
Lease receivable	1,624,751	2,136,812
Passenger facility charges receivable	385,000	700,000
Miscellaneous receivable	184	-
Prepaid expenses	3,194,338	1,195,552
Inventories	-	18,444
Total current assets	<u>41,770,975</u>	<u>19,232,904</u>
Restricted assets:		
Cash and cash equivalents	<u>209,571,819</u>	<u>11,769,175</u>
Non-current assets:		
Lease receivable	16,387,282	10,456,234
Non-depreciable capital assets	43,118,273	140,540,758
Depreciable capital assets, net	<u>163,244,482</u>	<u>62,954,418</u>
Total non-current assets	<u>222,750,037</u>	<u>213,951,410</u>
Total assets	<u>474,092,831</u>	<u>244,953,489</u>
Deferred Outflows of Resources:		
Pension deferrals	1,573,853	1,270,275
OPEB deferrals	477,830	347,993
Total deferred outflows of resources	<u>2,051,683</u>	<u>1,618,268</u>
Liabilities:		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	298,445	777,017
Construction contracts payable	2,692,279	3,358,493
Construction contract retainages	715,740	2,512,881
Compensated absences	431,950	343,676
Accrued liabilities	245,296	202,323
Prepaid fees	156,844	91,886
Accrued interest payable	179,130	195,398
Revenue bonds payable, current portion	1,345,000	1,315,000
Payable from restricted assets:		
Security deposits	<u>85,518</u>	<u>14,954</u>
Total current liabilities	<u>6,150,202</u>	<u>8,811,628</u>

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

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021**

	2022	2021
Non-current liabilities:		
Total OPEB liability	1,322,079	1,240,110
Compensated absences	223,139	181,068
Total pension liability - LEOSSA	654,955	614,383
Net pension liability - LGERS	861,420	1,854,251
Revenue bonds payable - net unamortized premium	210,584,329	14,990,000
Total non-current liabilities	213,645,922	18,879,812
 Total liabilities	 219,796,124	 27,691,440
 Deferred Inflows of Resources:		
Leases	18,268,964	12,593,046
Pension deferrals	1,294,786	75,983
OPEB deferrals	208,860	229,725
Total deferred inflows of resources	19,772,610	12,898,754
 Net Position:		
Net investment in capital assets	189,300,270	197,646,410
Restricted	209,532,322	10,289,525
Unrestricted	(162,256,812)	(1,954,372)
 Total net position	 \$ 236,575,780	 \$ 205,981,563

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Terminal	\$ 7,828,418	\$ 5,505,373
Airfield	1,790,168	1,205,993
General aviation	699,991	1,008,205
Parking lot	7,956,131	3,343,403
Golf course	293,179	1,698,388
Land use	310,313	223,704
Other	<u>56,120</u>	<u>910,761</u>
Total operating revenues	<u>18,934,320</u>	<u>13,895,827</u>
Operating Expenses:		
Administration	484,939	811,483
Planning	388,857	321,453
Executive	1,132,918	1,080,501
Finance	506,558	444,849
Guest services	234,287	199,358
Information technology	999,110	941,089
Marketing	579,931	379,631
Operations	3,897,678	2,867,437
Public safety	1,824,030	1,531,060
Business development	223,850	111,846
Properties and contracts	175,181	152,547
CRRSA	170,126	-
Golf course	172,652	1,405,623
Depreciation	<u>5,469,323</u>	<u>5,427,376</u>
Total operating expenses	<u>16,259,440</u>	<u>15,674,253</u>
Operating income (loss)	<u>2,674,880</u>	<u>(1,778,426)</u>
Non-Operating Revenues (Expenses):		
Passenger facility charges	3,781,512	2,301,153
Customer facility charges	1,932,909	1,507,251
Interest revenue	1,180,688	32,371
Gain on disposal of capital assets	38,300	90,000
Charge on debt issuance	(911,966)	-
Interest expense	<u>(358,263)</u>	<u>(390,798)</u>
Total non-operating revenues (expenses), net	<u>5,663,180</u>	<u>3,539,977</u>
Income (loss) before capital contributions	8,338,060	1,761,551
Capital contributions	<u>22,256,157</u>	<u>35,138,365</u>
Change in net position	30,594,217	36,899,916
Net Position:		
Beginning of year, July 1	<u>205,981,563</u>	<u>169,081,647</u>
End of year, June 30	<u>\$ 236,575,780</u>	<u>\$ 205,981,563</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received for providing services	\$ 19,519,120	\$ 13,249,502
Cash paid for goods and services	(8,852,419)	(6,810,126)
Cash paid to, or on behalf of, employees for services	<u>(4,310,215)</u>	<u>(3,773,889)</u>
Net cash provided (used) by operating activities	<u>6,356,486</u>	<u>2,665,487</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(8,336,902)	(42,027,805)
Cash received for the sale of capital assets	38,300	90,000
Passenger facility charges	4,096,512	1,676,153
Customer facility charges	1,932,909	1,507,251
Long term debt issued	185,000,000	-
Premium issued	11,939,329	-
Principal payments of bond maturities	(1,315,000)	(1,280,000)
Interest paid on bond maturities	(374,531)	(407,376)
Charge on bond issuance	(911,966)	-
Capital contributions	<u>17,703,301</u>	<u>33,768,941</u>
Net cash provided (used) by capital and related financing activities	<u>209,771,952</u>	<u>(6,672,836)</u>
Cash Flows from Investing Activities:		
Interest income	<u>1,180,688</u>	<u>32,371</u>
Net increase (decrease) in cash and cash equivalents	217,309,126	(3,974,978)
Cash and Cash Equivalents:		
Beginning of year, July 1	<u>22,982,549</u>	<u>26,957,527</u>
End of year, June 30	<u>\$ 240,291,675</u>	<u>\$ 22,982,549</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, 2022 AND 2021

	2022	2021
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 2,674,880	\$ (1,778,426)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	5,469,323	5,427,376
Changes in assets, deferred outflows of resources, and liabilities:		
(Increase) decrease in accounts receivable	211,193	(523,725)
(Increase) decrease in prepaid items	(1,998,786)	(142,850)
(Increase) decrease in deferred outflows	(433,415)	(703,875)
(Increase) decrease in inventory	18,444	(18,444)
(Increase) decrease in leases receivable	(5,418,987)	-
Increase (decrease) in deferred inflows - leases	5,675,918	-
Increase (decrease) in security deposits	70,564	14,954
Increase (decrease) in accounts payable	(478,572)	(465,378)
Increase (decrease) in accrued liabilities	42,973	42,232
Increase (decrease) in prepaid fees	64,958	(62,367)
Increase (decrease) in other post-employment benefits	81,969	141,209
Increase (decrease) in compensated absences	130,345	63,182
Increase (decrease) in net pension liabilities	(952,259)	753,499
Increase (decrease) in deferred inflows	1,197,938	(81,900)
Total adjustments	3,681,606	4,443,913
Net cash provided by operating activities	\$ 6,356,486	\$ 2,665,487
Supplemental Cash Flow Information:		
Net change in construction contracts and retainage payable	\$ (2,463,355)	\$ 1,242,381

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, 2022

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, 2022

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, 2022

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)(8)] 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 Portfolio 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 debt proceeds are classified as restricted because their use is restricted to the purpose for which the debt 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, 2022

Restricted cash and cash equivalents at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Passenger facility charge collections, undisbursed	\$ 13,095,327	\$ 10,243,821
Debt service sinking funds - bond repayment	1,524,130	1,510,400
Security deposits	85,518	14,954
Unexpended debt proceeds	<u>194,866,844</u>	<u>-</u>
Total restricted cash and cash equivalents	<u>\$ 209,571,819</u>	<u>\$ 11,769,175</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, 2022 and 2021.

Lease Receivable

The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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 assets 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 criteria – 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 assets that applies to a future period and so will not be recognized as revenue until then. The Authority has three items that meets this criteria – leases, 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 President/CEO. 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 if employed on or before June 30, 2021, or not to exceed 30 days if employed on or after July 1, 2021. Accrued vacation pay amounted to \$527,040 and \$410,927 at June 30, 2022 and 2021, 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 \$128,049 and \$113,817 at June 30, 2022 and 2021, respectively.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

Long-Term Obligations

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expenses in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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.

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.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the Authority's deposits had a carrying amount of \$44,939,773 and a bank balance of \$45,075,291. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$44,575,291 was covered under the Pooling Method. The Authority maintains petty cash of \$200.

Investments

At June 30, 2022, the Authority's investments and maturities were as follows:

<u>Investment Type</u>	<u>Valuation</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>
	<u>Measurement Date</u>		
North Carolina Capital Management Trust - Government Portfolio	Fair Value Level 1	<u>\$195,351,702</u>	<u>\$195,351,702</u>

* 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, 2022, 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.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Accounts Receivable

The balance of accounts receivable at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Trade receivables	\$ 996,010	\$ 1,188,541
Sales tax refunds receivables	141,432	160,278
Total	\$ 1,137,442	\$ 1,348,819

Lease Receivable

At June 30, 2022, the Authority had leases with vendors that under the leases, the lessees paid both fixed and variable payments. In months where the lessee's gross revenue exceeds certain amounts as stated in the lease agreements, the lessees make additional variable payments. The lease receivable is measured as the present value of the future minimum fixed rent payments expected to be received during the lease term at a discount rate of 2.62% for undeveloped land, 8.25% for commercial property, and 5.336% for residential property.

In fiscal year 2022, the Authority recognized \$2,257,607 of lease revenue and \$978,351 of interest revenue under the leases. In addition, the Authority recognized \$16,011,357 in variable lease revenue. The future payments to be received are as follows:

Year Ending	Principal	Interest	Total
June 30			
2023	\$ 1,624,751	\$ 1,421,382	\$ 3,046,133
2024	1,762,183	1,283,842	3,046,025
2025	1,865,484	1,135,569	3,001,053
2026	2,007,401	977,027	2,984,428
2027	2,106,758	807,027	2,913,785
Thereafter	8,645,456	1,636,525	10,281,981
Total	\$ 18,012,033	\$ 7,261,372	\$ 25,273,405

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets

The capital assets of the Authority at June 30, 2022 are as follows:

	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 10,635,724	\$ 33,875	\$ -	\$ -	\$ 10,669,599
Construction in progress	129,905,034	8,282,170	-	(105,738,530)	32,448,674
Total non-depreciable capital assets	<u>140,540,758</u>	<u>8,316,045</u>	<u>-</u>	<u>(105,738,530)</u>	<u>43,118,273</u>
Depreciable Capital Assets:					
Leasehold improvements	122,064,459	-	-	105,475,748	227,540,207
Equipment	6,544,399	20,857	-	262,782	6,828,038
Furniture	198,448	-	-	-	198,448
Vehicles	3,174,911	-	-	-	3,174,911
Total depreciable capital assets	<u>131,982,217</u>	<u>20,857</u>	<u>-</u>	<u>105,738,530</u>	<u>237,741,604</u>
Less Accumulated Depreciation:					
Leasehold improvements	62,573,817	4,768,987	-	-	67,342,804
Equipment	4,000,364	475,999	-	-	4,476,363
Furniture	174,997	12,599	-	-	187,596
Vehicles	2,278,621	211,738	-	-	2,490,359
Total accumulated depreciation	<u>69,027,799</u>	<u>\$ 5,469,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,497,122</u>
Total depreciable capital assets, net	<u>62,954,418</u>				<u>163,244,482</u>
Business-type activities capital assets, net	<u>\$ 203,495,176</u>				<u>\$ 206,362,755</u>

Construction Commitments

The Authority has active construction projects as of June 30, 2022. At year-end, the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Storm water improvements	\$ 76,400	\$ 128,600
South GA ramp design	155,801	409,631
Apron expansion	8,034,375	1,414,620
Terminal design	14,442,510	12,138,420
Parking lots	1,485,689	633,105
ATC design	1,592,538	2,565,385
South GA ramp construction	-	7,421,480
Total	<u>\$ 25,555,112</u>	<u>\$ 24,173,010</u>

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

B. Liabilities

Payables

Payables at June 30, 2022, and 2021 were as follows:

	Vendors	Salaries and Benefits	Total
June 30, 2022:			
Accounts payable	\$ 298,445	\$ -	\$ 298,445
Accrued liabilities	-	245,296	245,296
Total	\$ 298,445	\$ 245,296	\$ 543,741
June 30, 2021:			
Accounts payable	\$ 777,017	\$ -	\$ 777,017
Accrued liabilities	-	202,323	202,323
Total	\$ 777,017	\$ 202,323	\$ 979,340

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, 2022

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, 2022, was 12.1% of compensation for law enforcement officers and 11.35% 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 \$475,241 for the year ended June 30, 2022. For the year ended June 30, 2021, the Authority's contractually required contribution rate was 10.9% for law enforcement officers and 10.15% for general employees. Contributions to the pension plan from the Authority were \$399,893 for the year ended June 30, 2021.

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, 2022, the Authority reported a liability of \$861,420 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, 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

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the Authority's proportion was 0.05617% (measured as of June 30, 2021), which was an increase of 0.00428% from its proportion as of June 30, 2021 (measured as of June 30, 2020.)

For the year ended June 30, 2022, the Authority recognized pension expense of \$413,852. At June 30, 2022, 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	\$ 274,049	\$ -
Changes of assumptions	541,192	-
Net difference between projected and actual earnings on pension plan investments	-	1,230,712
Changes in proportion and differences between Authority contributions and proportionate share of contributions	111,087	14,429
Authority contributions subsequent to the measurement date	475,241	-
Total	\$ 1,401,569	\$ 1,245,141

\$475,241 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, 2023. 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
2023	\$ 117,196
2024	13,798
2025	(73,199)
2026	(376,608)
2027	-
Total	\$ (318,813)

Actuarial Assumptions. The total pension liability in the December 31, 2020, 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 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2020, valuation with the exception of the discount rate were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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, 2021, 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%
Opportunistic fixed income	7.0%	6.0%
Inflation sensitive	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Authority's proportionate share of the net pension liability (asset)	\$ 3,343,964	\$ 861,420	\$ (1,181,568)

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, 2022

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>17</u>
Total	<u><u>18</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, 2020 valuation. The total pension liability in the December 31, 2020 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	2.25%

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, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended 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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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 \$38,713 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, 2022, the Authority reported a total pension liability of \$654,955. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Authority recognized pension expense of \$76,659.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,832	\$ 29,195
Changes of assumptions	116,600	20,450
Benefit payments and administrative expenses subsequent to the measurement date	19,852	-
Total	<u>\$ 172,284</u>	<u>\$ 49,645</u>

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\$19,852 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, 2023. 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
2023	\$ 24,020
2024	20,188
2025	23,695
2026	29,802
2027	4,272
Thereafter	810
Total	<u>\$ 102,787</u>

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	<u>\$ 701,872</u>	<u>\$ 654,955</u>	<u>\$ 611,646</u>

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2020	<u>\$ 614,383</u>
Changes for the year:	
Service cost at end of year	41,359
Interest	11,484
Difference between expected and actual experience	41,051
Changes of assumptions and other inputs	(14,609)
Benefit payments	<u>(38,713)</u>
Net changes	<u>40,572</u>
Total pension liability as of December 31, 2021	<u>\$ 654,955</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 413,852	\$ 76,659	\$ 490,511
Pension liability	861,420	654,955	1,516,375
Proportionate share of the net position liability	0.05617%	n/a	n/a
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 274,049	\$ 35,832	\$ 309,881
Changes of assumptions	541,192	116,600	657,792
Changes in proportion and differences between contributions and proportionate share of contributions	111,087	-	111,087
Contributions and administrative costs paid subsequent to the measurement date	<u>475,241</u>	<u>19,852</u>	<u>495,093</u>
Total	<u>\$ 1,401,569</u>	<u>\$ 172,284</u>	<u>\$ 1,573,853</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 29,195	\$ 29,195
Changes of assumptions	-	20,450	20,450
Net difference between projected and actual earnings on plan investments	1,230,712	-	1,230,712
Changes in proportion and differences between contributions and proportionate share of contributions	<u>14,429</u>	<u>-</u>	<u>14,429</u>
Total	<u>\$ 1,245,141</u>	<u>\$ 49,645</u>	<u>\$ 1,294,786</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, 2022

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 \$49,902 and \$160,418 for law enforcement officers and non-law enforcement officers, respectively, for the year ended June 30, 2022. 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. No amounts were forfeited in 2022 or 2021.

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, 2022, these offset funds matched the total contribution rate of .20%.

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, 2022

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, 2021, the date of the latest actuarial valuation:

Retirees receiving benefits	4
Active plan members	<u>20</u>
Total	<u><u>24</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$1,322,079 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021 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	3.25 - 8.41 percent, including wage inflation
Discount rate	
Prior measurement date	2.21 percent
Measurement date	2.16 percent
Healthcare cost trends	
Pre-Medicare	7.00 percent for 2021 decreasing to an ultimate 4.50 percent by 2031

The Authority selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

<u>Schedule of Changes in Total OPEB Liability</u>	
Total OPEB liability as of June 30, 2021	\$ 1,240,110
Changes for the year:	
Service cost at end of year	57,504
Interest	28,064
Difference between expected and actual experience	(50,055)
Changes of assumptions and other inputs	102,249
Benefit payments and implicit subsidy credit	<u>(55,793)</u>
Net changes	<u>81,969</u>
Total pension liability as of June 30, 2022	<u>\$ 1,322,079</u>

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 <u>(1.16%)</u>	Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Total OPEB liability	<u>\$ 1,430,922</u>	<u>\$ 1,322,079</u>	<u>\$ 1,221,125</u>

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	<u>\$ 1,191,670</u>	<u>\$ 1,322,079</u>	<u>\$ 1,470,942</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

For the year ended June 30, 2022, the Authority recognized OPEB expense of \$65,753. At June 30, 2022, 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	\$ 80	\$ 171,626
Changes of assumptions	167,081	37,234
Benefit payments and administrative costs made subsequent to the measurement date	310,669	-
Total	\$ 477,830	\$ 208,860

\$310,669 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, 2023. 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
2023	\$ (27,885)
2024	(27,885)
2025	(12,100)
2026	24,452
2027	1,719
Thereafter	-
Total	\$ (41,699)

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.

On June 1, 2022, the Authority issued \$185,000,000 of direct placement revenue bonds entitled Greater Asheville Regional Airport Authority system revenue bonds 2022A. This bond provides financing for various improvements to the Authority's airport system. The bonds require sinking fund payments beginning July 1, 2027 ranging from \$3,550,000 to \$57,165,000 annually, including semi-annual interest ranging from 5.00% to 5.50%, until July 1, 2052.

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The revenue bonds mature as follows:

Year Ending June 30	Principal	Interest
2023	\$ 1,345,000	\$ 342,188
2024	1,375,000	10,968,344
2025	1,410,000	10,115,166
2026	1,445,000	10,081,049
2027	1,475,000	10,046,155
2028-2032	27,540,000	47,812,190
2033-2037	25,020,000	41,913,563
2038-2042	32,030,000	34,903,563
2043-2047	41,475,000	25,457,388
2048-2052	54,185,000	12,748,450
2053	<u>12,690,000</u>	<u>697,950</u>
Total	<u>\$ 199,990,000</u>	<u>\$ 205,086,004</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, 2022 is as follows:

Airport revenues (excluding passenger facility charges)	\$ 22,047,917
Current expenses *	<u>12,060,346</u>
Net revenues	<u>\$ 9,987,571</u>
Debt service: **	
Principal	\$ 1,315,000
Interest	<u>374,531</u>
	<u>\$ 1,689,531</u>
 Debt service coverage ratio	 591.14%

* 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 \$405,076,004. Principal and interest paid for the current year and total customer net revenues were \$1,689,531 and \$9,987,571 respectively.

Changes in Long-Term Liabilities

Changes in long-term liabilities are as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>	<u>Current</u>
Direct placement revenue bonds	\$ 16,305,000	\$ 185,000,000	\$ 1,315,000	\$ 199,990,000	\$ 1,345,000
Direct placement revenue bond premiums	-	11,939,329	-	11,939,329	-
Compensated absences	524,744	458,910	328,565	655,089	431,950
Total pension liability (LEO)	614,383	40,572	-	654,955	-
Net pension liability (LGERS)	1,854,251	-	992,831	861,420	-
Total OPEB liability	1,240,110	137,762	55,793	1,322,079	-
Total	<u>\$ 20,538,488</u>	<u>\$ 197,576,573</u>	<u>\$ 2,692,189</u>	<u>\$ 215,422,872</u>	<u>\$ 1,776,950</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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>2022</u>	<u>2021</u>
Unrestricted net position, designated for:		
Operating and maintenance designation	\$ 6,038,279	\$ 5,384,122
Emergency repair designation	650,000	650,000
Undesignated, unrestricted net position	<u>(168,945,091)</u>	<u>(7,988,494)</u>
Total unrestricted net position	<u>\$ (162,256,812)</u>	<u>\$ (1,954,372)</u>

Revenue and Expenses

Regulated Leases

At June 30, 2022, the Authority had one or more leases regulated by the Federal Aviation Administration. The leases are subject to fixed monthly rent payments that are adjusted annually using CPI or 3%, whichever is highest. One of the leases will be subject to variable payments based on revenue beginning in 2035. In fiscal year 2022, the Authority recognized \$259,881 of lease revenue from regulated leases.

Year Ending	
June 30	Amount
2023	\$ 264,084
2024	272,007
2025	280,167
2026	288,572
2027	297,229
Thereafter	<u>14,719,633</u>
Total	<u>\$ 16,121,692</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 \$3,781,512 for the year ended June 30, 2022, and \$2,301,153 for the year ended June 30, 2021.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

3. Commitments and Contingencies (Including Litigation)

A. Construction Contract Commitments

The Authority has commitments of approximately \$24.71 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 \$15.24 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 \$630,000 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 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 \$8.84 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 two 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 a general dispute with a contractor as an ongoing matter. The Authority is involved in the following:

General Disputes

The Authority is involved in a general dispute with a contractor involving a capital project. This ongoing issue is not pending litigation. Management does not believe that these matters require a provision for a future loss as of June 30, 2022.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

4. Change in Accounting Principle

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

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

Schedule of Changes in Total Pension Liability

	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 614,383	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122	\$ 446,133
Changes for the year:						
Service cost at end of year	41,359	16,438	14,922	21,066	18,349	21,843
Interest	11,484	14,097	16,242	14,748	16,298	15,375
Difference between expected and actual experience	41,051	(68)	(42,639)	(22,507)	7,343	-
Changes of assumptions and other inputs	(14,609)	158,583	11,606	(19,141)	29,226	(11,280)
Benefit payments	(38,713)	(14,188)	(13,662)	(15,672)	(37,780)	(30,949)
Net changes	40,572	174,862	(13,531)	(21,506)	33,436	(5,011)
Ending balance of the total pension liability	\$ 654,955	\$ 614,383	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 654,955	\$ 614,383	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122
Covered-employee payroll	983,184	675,287	621,433	731,825	740,566	740,566
Total pension liability as a percentage of covered-employee payroll	66.62%	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 FIVE FISCAL YEARS

Schedule of Changes in the Total OPEB Liability and Related Ratios

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 57,504	\$ 44,254	\$ 73,409	\$ 75,000	\$ 79,544
Interest	28,064	39,123	48,250	42,614	35,421
Differences between expected and actual experience	(50,055)	(3,428)	(266,103)	(693)	265
Changes of assumptions	102,249	112,453	22,464	(39,497)	(65,963)
Benefit payments and implicit subsidy credit	(55,793)	(51,193)	(38,594)	(29,661)	(28,486)
Net change in total OPEB liability	81,969	141,209	(160,574)	47,763	20,781
Total OPEB liability - beginning	<u>1,240,110</u>	<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>\$ 1,322,079</u>	<u>\$ 1,240,110</u>	<u>\$ 1,098,901</u>	<u>\$ 1,259,475</u>	<u>\$ 1,211,712</u>
Covered-employee payroll	\$ 1,469,523	\$ 1,525,141	\$ 1,525,141	\$ 1,794,239	\$ 1,794,239
Total OPEB liability as a percentage of covered-employee payroll	89.97%	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%
2022	2.16%

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

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

	Local Governmental Employees' Retirement System				
	2022	2021	2020	2019	2018
Authority's proportion of the net pension liability (asset) (%)	0.05617%	0.05189%	0.04671%	0.05106%	0.05238%
Authority's proportion of the net pension liability (asset) (\$)	\$ 861,420	\$ 1,854,251	\$ 1,275,614	\$ 1,211,318	\$ 800,221
Authority's covered payroll	\$ 3,866,009	\$ 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	22.28%	50.09%	37.87%	37.78%	24.80%
Plan fiduciary net position as a percentage of the total pension liability (asset)**	95.51%	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 NINE 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 NINE FISCAL YEARS***

Local Governmental Employees' Retirement System					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 475,241	\$ 399,893	\$ 338,123	\$ 267,877	\$ 247,476
Contributions in relation to the contractually required contribution	<u>475,241</u>	<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>	<u>\$ -</u>
Authority's covered payroll	\$ 4,112,609	\$ 3,866,009	\$ 3,701,694	\$ 3,368,784	\$ 3,206,342
Contributions as a percentage of covered payroll	11.56%	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 NINE 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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Terminal	\$ 6,624,191	\$ 7,828,418	\$ 1,204,227	\$ 5,505,373
Airfield	1,653,800	1,790,168	136,368	1,205,993
General aviation	1,098,716	699,991	(398,725)	1,008,205
Parking lot	5,830,000	7,956,131	2,126,131	3,343,403
Golf course	-	293,179	293,179	1,698,388
Land use	-	310,313	310,313	223,704
Interest income	10,000	1,180,688	1,170,688	32,371
Other	354,573	56,120	(298,453)	910,761
Customer facility charges	1,400,000	1,932,909	532,909	1,507,251
Total operating revenues	<u>16,971,280</u>	<u>22,047,917</u>	<u>5,076,637</u>	<u>15,435,449</u>
Non-operating revenues:				
State grant reimbursements	4,000,000	-	(4,000,000)	-
Federal airport improvement program grants	18,634,238	-	(18,634,238)	-
CRRSA grant	-	4,233,836	4,233,836	-
CARES Act grant	-	3,257,883	3,257,883	11,151,387
Passenger facility charges	2,250,000	3,756,677	1,506,677	534,102
Total non-operating revenues	<u>24,884,238</u>	<u>11,248,396</u>	<u>(13,635,842)</u>	<u>11,685,489</u>
Total revenues	<u>41,855,518</u>	<u>33,296,313</u>	<u>(8,559,205)</u>	<u>27,120,938</u>
Expenditures:				
Administration	712,408	460,361	252,047	639,369
Planning	448,895	388,857	60,038	321,453
Executive	1,222,630	1,132,918	89,712	1,080,501
Finance	539,354	506,558	32,796	444,849
Guest services	283,495	234,287	49,208	199,358
Information technology	1,137,882	999,110	138,772	941,089
Marketing	689,067	579,931	109,136	379,631
Operations	4,668,432	3,897,678	770,754	2,867,437
Public safety	2,098,907	1,824,030	274,877	1,531,060
Business development	300,000	223,850	76,150	111,846
Debt service - principal	1,315,000	1,315,000	-	1,280,000
Debt service - interest and other charges	374,530	1,286,497	(911,967)	407,376
Emergency repair	50,000	-	50,000	-
Properties and contracts	225,488	175,181	50,307	152,547
CRRSA	-	170,126	(170,126)	-
Golf course	-	172,652	(172,652)	1,405,623
Contingency	100,000	-	100,000	-
Carry-over capital expenditures from prior year	34,318,722	197,978	34,120,744	-
Renewal and replacement capital outlay	189,805	11,915	177,890	-
Capital project expenditures	16,636,022	8,127,009	8,509,013	-
Total expenditures	<u>65,310,637</u>	<u>21,703,938</u>	<u>43,606,699</u>	<u>11,762,139</u>

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(23,455,119)	11,592,375	35,047,494	15,358,799
Other Financing Sources (Uses):				
Transfers (to)/from operating cash	23,455,119	6,507,103	(16,948,016)	(16,451,137)
Proceeds on sale of assets	-	38,300	38,300	90,000
Revenue bond issuance	-	185,000,000	185,000,000	-
Premium on revenue bonds issued	-	11,939,329	11,939,329	-
Total other financing sources (uses)	23,455,119	203,484,732	180,029,613	(16,361,137)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	215,077,107	\$ 215,077,107	(1,002,338)
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Capital outlay expenditures		209,893		-
Capital project expenditures		8,127,009		-
Proceeds from revenue bonds issued		(185,000,000)		-
Premium on revenue bonds issued		(11,939,329)		-
Net revenue from capital project consolidation		14,789,273		25,754,030
Principal payments of bond maturities		1,315,000		1,280,000
Increase (decrease) in deferred outflows of resources		433,415		703,875
(Increase) decrease in accrued interest payable		16,268		16,578
(Increase) decrease in accrued compensated absences		(130,345)		(63,182)
(Increase) decrease in net total pension liability (LEOSSA)		(40,572)		(174,862)
(Increase) decrease in net pension liability (LGERS)		992,831		(578,637)
(Increase) decrease in total OPEB liability		(81,969)		(141,209)
(Increase) decrease in deferred inflows of resources		(1,197,938)		81,900
Transfers (to)/from operating cash		(6,507,103)		16,451,137
Depreciation		(5,469,323)		(5,427,376)
Change in net position	\$	30,594,217	\$	36,899,916

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, 2022

	Project Authorization	Prior Years	Actual		Variance Over/Under
			Current Year	Total to Date	
Revenues:					
Federal airport improvement program grants	\$ 98,011,909	\$ 77,079,970	\$ 8,116,036	\$ 85,196,006	\$ (12,815,903)
TSA - OTA grant	789,978	-	789,978	789,978	-
Passenger facility charges	15,746,259	7,874,604	24,835	7,899,439	(7,846,820)
State grants	5,858,424	-	5,858,424	5,858,424	-
Total operating revenues	<u>120,406,570</u>	<u>84,954,574</u>	<u>14,789,273</u>	<u>99,743,847</u>	<u>(20,662,723)</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	16,521,301	-	16,521,301	(183,046)
Airfield Re-Development - Bid Package 4	73,548,312	72,783,550	(8,218,195)	64,565,355	8,982,957
South apron expansion construction	10,664,537	5,919,137	2,539,142	8,458,279	2,206,258
Terminal design	27,000,000	6,500,206	10,722,487	17,222,693	9,777,307
Parking lots construction	2,188,794	1,692,464	19,216	1,711,680	477,114
Air traffic control tower design	5,000,000	6,000	1,593,568	1,599,568	3,400,432
South GA apron construction	7,421,480	-	520,442	520,442	6,901,038
Other	5,831,385	2,123,083	1,105,510	3,228,593	2,602,792
Total expenditures	<u>173,816,980</u>	<u>129,905,033</u>	<u>8,282,170</u>	<u>138,187,203</u>	<u>35,629,777</u>
Revenues under expenditures	<u>(53,410,410)</u>	<u>(44,950,459)</u>	<u>6,507,103</u>	<u>(38,443,356)</u>	<u>14,967,054</u>
Other Financing Sources (Uses):					
Transfers (to)/from operating cash	53,410,410	44,950,459	(6,507,103)	38,443,356	(14,967,054)
Revenue bond issuance	-	-	185,000,000	185,000,000	-
Premium on revenue bonds issued	-	-	11,939,329	11,939,329	-
Total other financing sources (uses)	<u>53,410,410</u>	<u>44,950,459</u>	<u>190,432,226</u>	<u>235,382,685</u>	<u>(14,967,054)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,939,329</u>	<u>\$ 196,939,329</u>	<u>\$ -</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 (*Government Auditing Standards*), 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, 2022, 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 27, 2022.

Report on 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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 27, 2022

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

Opinion on Each Major Federal Program

We have audited the Greater Asheville Regional Airport Authority’s (“the Authority”), compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 27, 2022

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major State 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 State Program

Opinion on Each Major State Program

We have audited the Greater Asheville Regional Airport Authority’s (“the Authority”), compliance with the types of compliance requirements identified as subject to audit 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 state programs for the year ended June 30, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 27, 2022

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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

Opinion on 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, 2022.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted 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 will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; and the Guide, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 non-compliance 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 27, 2022

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

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

TSA Airport Checked Baggage Inspection System	97.117
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Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	Yes
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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022**

None reported.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL 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 Homeland Security</u>						
Transportation Security Administration (TSA)						
Direct Program:						
TSA Airport Checked Baggage Inspection System Program	97.117		\$ 789,978	\$ -	\$ -	\$ -
<u>U.S. Department of Transportation</u>						
Federal Aviation Administration						
Direct Program:						
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure and Investment and Jobs Act Programs	20.106		8,116,034	-	529,411	-
COVID-19 Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure and Investment and Jobs Act Programs	20.106		<u>7,491,719</u>	-	-	-
Total Airport Improvement Program			<u>15,607,753</u>	-	<u>529,411</u>	-
Total Federal Awards			<u>16,397,731</u>	-	<u>529,411</u>	-
State Grants:						
<u>N.C. Department of Transportation</u>						
State Aid to Airports		DOT-8	-	5,858,424	-	-
Total N.C. Department of Transportation			-	<u>5,858,424</u>	-	-
Total State Awards			-	<u>5,858,424</u>	-	-
Total Federal and State Awards			<u>\$ 16,397,731</u>	<u>\$ 5,858,424</u>	<u>\$ 529,411</u>	<u>\$ -</u>
Passenger Facility Charges:						
Capital improvements						
Application approved number						
				11-05-C-00-AVL		
Beginning balance, unliquidated Passenger Facility Charges						
			\$ 8,999,891			
Passenger Facility Charges collected						
			4,096,512			
Interest earned						
			23,758			
Expenditures						
			<u>(24,835)</u>			
Ending balance, unliquidated Passenger Facility Charges						
			<u>\$ 13,095,326</u>			

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

- 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, 2022. 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.
- 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: Jared Merrill
Vice President – Planning

DATE: December 9, 2022

ITEM DESCRIPTION – New Business Item B

Approval of Task Order No. 2 Part D with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Temporary Checkpoint Design Services

BACKGROUND

The Authority entered into an Agreement for Professional Consulting Services with GS&P N.C. an Affiliate of Gresham Smith and Partners (Gresham Smith) on August 14, 2018. The Airport Board approved Task Order No. 2 Part A in the amount of \$3,969,904.50 in August of 2019 for the Terminal Building Modernization and Expansion Project Conceptual and Schematic design. Subsequently, the Board approved Task Order No. 2 Part B in the amount of \$8,638,889.50 in December 2020 for the completion of Design Development and Construction Documents. Task Order No. 2 Part C for the Contract Construction Administration and additional services in the amount of \$7,232,602.00 was approved by the Board in April of 2022.

In October of 2021 the phasing of the project was changed in order to avoid impacts to the existing air traffic control tower before the new tower was complete. The project team proceeded with design under the expectation a temporary checkpoint would not be needed. The design team and contractor worked at length to make this possible. However, due to the complexity of the project, it became necessary to include the design and construction of a temporary checkpoint while the overall project is under construction. Without the temporary checkpoint the overall project completion will be delayed by at least one year.

New Business – Item B



This temporary checkpoint will be located north of the ticket lobby and this additional space will become additional permanent ticket lobby area after the new permanent check point opens at the end of the project. The total cost for the design of temporary checkpoint and other associated necessary design revisions is \$380,000.00.

ISSUES

None.

ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

The total cost for Task Order No. 2 Part D services is not to exceed \$380,000.00. When added to the existing approved contract costs of \$19,841,396.00, the total contract value shall be not to exceed \$20,226,396.00, which is 8.09 percent of the overall estimated construction cost of the project. The cost for Part D services will be paid for with Airport Funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Task Order No. 2 Part D with Gresham Smith in an amount not to exceed \$380,000.00; and (2) authorize the President & CEO to execute the necessary documents.



**Gresham
Smith**

GS-NC P.C.

An Affiliate of Gresham Smith

November 29, 2022

Michael Reisman A.A.E
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

Subject: Temporary SSCP Additional Service – Revision 4
AVL Terminal Modernization and Expansion
Asheville Regional Airport
Gresham Smith Project No. 43483.02

Dear Mike:

Following multiple meetings held on 7/28/22, the Airport's direction was given to Hensel Phelps to proceed with a level 1 temporary SSCP (Attachment A). As part of this option, the temporary SSCP is intended to be re-configured at the end of the project to become a shell space, re-designing parts of the currently planned ticketing space. This proposal is for the additional service to design a temporary SSCP and shell space modification to the ticket lobby. This proposal does not cover any scope for the Construction Contract Administration effort or schedule impacts for the extension of the construction schedule. A separate additional service request will cover this effort once the impacts to the construction schedule are fully known.

Scope Understanding

Our understanding of the scope represented in this proposal is outlined in the three tasks below. We have built this proposal based on delivering these drawings in a certain way (attachment D). This workflow only applies to the disciplines that are issuing 100% construction documents as part of Work Package 5. The current WP5 documents will be modified to show the build out of the temporary SSCP. We will then create a Work Package 6 demo series that will detail out what portions of the building that are to remain and what is demo' d. We will then create a Work Package 6 New Construction series that will detail out the shell expansion to the ticket lobby.

Genuine Ingenuity

201 S. College Street
Suite 1950
Charlotte, NC 28244
704.944.7970

GreshamSmith.com



Task 1 Temporary SSCP Drawings

Reference attachment A for layout. A working session with Hensel Phelps will be needed right after the NTP to understand exactly how to construct the temporary space and the plans to build this area. The following items are the current understood as needing to be modified:

- Relocate gas meters and underground routing from CEP
- Relocate grease interceptors and rework routing for the entire north concourse
- Re-calculate storm water demands for NCDEQ permit submission
- Re-grade the entire back side (airside only) of the north concourse and relocate all storm water
- The portion of the temporary SSCP that will be demo 'd will be fed from a temporary packaged roof top unit. This area will receive gutters only to contain storm water.
- Add approximately 11 additional columns bays to the building with vertical circulation. Landside canopy and vestibules are to remain as designed.
- Design of temporary vertical circulation (1 elevator, 2 escalators and 1 stair). We will need to re-configure level 2 concourse slab to receive the temporary vertical circulation.
- Re-design utility tie-ins to accommodate temporary SSCP configuration and allow for infrastructure/stub up connections for final configuration
- Review/Revise Life safety plans to accommodate temporary SSCP
- Update step plans
- Design for temporary egress stair(tie-in to level 2)
- Re-design for temporary Fire Protection
- Re-design of low voltage for temporary SSCP

Task 2 Re-configuration of Building Expansion and Ticketing Infrastructure

Reference attachment B for layout. It is anticipated for this proposal that this will be a single buildout and not completed in multiple steps over time. The final build out of this space is to be considered a white box shell that has infrastructure, similar to a concession. The location of the that infrastructure is to be coordinated with the airport's ultimate buildout at a later date. No additional flight schedule increase or increase in CBIS capacity is included or anticipated. The following items are currently understood as needing to be modified:

- Resize the AHU on the roof of ticketing and re-route distribution to the expanded area
- Bring domestic water and sewer stub outs to the space
- Re-distribution of the storm system on the north side of the building
- Code minimum lighting and fire protection inside of the shell space
- Re-configured Life safety design
- Terrazzo floor to be extended through the shell space
- Temporary wall with access separating the ticketing

Task 3 ASI to impacted sheets inside of WP2

The design team will produce a single ASI that will capture the associated drawing changes to drawings inside of Work Package 2 that relates to CGMP2. This ASI will also capture any new sheets that are needed for the interim step of the



temporary SSCP. This will affect the airside civil, landside civil and BHS drawings. This effort will result in an increase of cost with the civil sub-contractor for CGMP 2.

What adds to the this effort to make it even more complex is it being completed out of sequence. All of these tasks will be completed at the end of the deliverable date and will not have any interim milestones.

Structural Modification

During the study of the level 2 temporary SSCP, we analyzed the existing structural elements inside of the planned ATO. What was discovered was we would need to remove the existing structural elements and design a new structure due to loading requirements of the occupancy and the SSCP equipment. We designed a conceptual layout for pricing purposes for Hensel Phelps (attachment C). Even though this was associated with this option, we believe it still should move forward for the following reasons now knowing the airports desire to expand ticketing to the north with the level 1 temporary SSCP:

1. The construction effort to splice new columns into existing, extend the existing 12" CMU vertically and existing foundation reinforcement are all very complex and labor intensive. We don't believe this true value is factored into any of the trends produced by Hensel Phelps and could be an unrealized overall cost savings to the project if removed.
2. The existing structural system is very tight and has columns located in unusual locations. This caused an issue when we originally laid out the BHS system and ATO that caused several dead pockets of space. Now again, with the lines becoming de-centralized, it could cause a lot more of this spatial inefficiency if not removed.
3. There is no long-term flexibility to the space or specifically the 12" CMU wall, as all capacity in the existing structural elements has been removed.

We are proposing to remove the load bearing CMU wall and the existing framework to the west. By doing so, we are able to establish a uniform grid at a larger spacing consistent with the planned grids in the rest of the building. This would provide the greatest spatial flexibility for BHS routing and ATO layouts. We would also then be able to use a composite beam and slab floor similar to the planned level 2 framing in the concourse. This floor system could also be designed to specifically resist vibration and with the larger beam spacing would be more accommodating to future modifications. This effort has been anticipated in this proposal. This was not proposed previously, as the phasing inside of this area was different and lead us to the original solution. With the current changes to phasing, it gives us the chance to re-evaluate how to best utilize the structure. If the decision is to keep the structure as designed, there is no savings to the proposed schedule below. We have already absorbed that time inside of this schedule as we believe it to be the best decision for the program.

Project Schedule

As stated in our email on 8/9/22 subject; Temp Checkpoint Schedule, we committed to a 10-week duration to complete the scope understood at that moment. As noted, this effort is much longer than 10 weeks and we have worked with the rest of the design team for everyone to add staff to the job to be as aggressive as possible on the schedule. With the reduction of scope, we are reducing the original 10 weeks to an 8-week duration. At the completion of this deliverable, the airport will have signed and sealed drawings ready for permit and bidding purposes. To meet an aggressive schedule, we need to exclude a few items that would traditionally be factored into a design schedule. This does not include any time for page



turns or any group reviews with any parties outside of the design team. These drawings will not be able to be approved by TSA in this short time frame. We would anticipate that to take 4-8 weeks after the completion of this effort and only minor changes required.

Anticipated Notice to Proceed = 8/22/2022

Deliverable Date = 10/22/2022

We understand there is an extremely short window of time between the date of this proposal and the asked for NTP. We would anticipate that the deliverable date will slide with any corresponding NTP start. There are several decisions that will need to be made during this 8-week duration. In order for us to hit our projected schedule, we have assumed that there will be a 1-hour weekly meeting for the duration of the deliverable between the design team, AVL, Hensel Phelps and Parsons to address any design team questions or to figure items out as a group. We are requesting that any decision points presented in said meeting be made in under 48 hours, or we will need to re-evaluate the project schedule. The design team will be meeting weekly for the duration of the deliverable to address ongoing internal coordination items themselves.

Fee adjustment

Below is the breakdown per discipline, for our additional service request:

Gresham Smith = \$240,000

Mechanical/Electrical/Plumbing (AME) = \$65,000

Fire Protection (Arora) = \$10,000

Special Systems (Arora) = \$30,000

Airside Civil (DAC) = \$35,000

BHS (JSM) = \$0

Total Lump Sum Fee = \$380,000

Exclusions

- Any Contract Construction administration services
- TSA approvals inside of the deliverable date
- Formal drawing reviews from any project stakeholders
- It is assumed that the floor plans will not vary significantly from a layout perspective from the attachments
- Any professional service not listed above
- Relocating DAS and MDF rooms along with distribution throughout the building
- Enlarging and relocating the IDF in ticketing
- Any additional walker duct or slab requirements for extended ticketing, ticketing queue space and final build out of the SSCP



Mike Reisman
November 29, 2022

- Re-configuration of ATO, ticket counters, associated BHS belts and how they tie into the CBIS. Design of additional ticket counters and Airline Ticket Office
- Any additional restrooms
- Any renderings or 3D visualizations
- Any reconfiguration of the vertical circulation core to the admin level, relocation of MDF/DAS rooms or any reconfiguration to the baggage handling system

Sincerely,

Brad Sucher AIA, NCARB
Project Manager

SUCHER

Attachment A – Temp SSCP Layout
Attachment B – Re-configured floor plan R1
Attachment C – Structural Modification
Attachment D – Drawing Flow Chart

Copy David King – Gresham Smith
 Damond Holloway – Gresham Smith
 Jared Merrill – GARAA
 John Coon – GARAA
 Rita Yanz - GARAA



Consultant Scope of Services

Greater Asheville Regional Airport Authority

Task Order number 2-part D for Professional Consulting Services, as referenced in the Professional Consulting Agreement between the Greater Asheville Regional Airport Authority and GS-NC P.C., an Affiliate of Gresham Smith, dated June 24, 2019.

Project: Phase 2 Terminal Modernization

Scope of Services: As indicated on the Scope of Work document attached to this proposal.

Consultant Team: Gresham Smith and its consultants will provide Overall Project Management, architecture, interior design, structural, mechanical, plumbing, electrical, airside civil, landside civil, special systems and baggage handling design for the Phase 2 Terminal Modernization. This is for additional services identified in correspondence dated November 29th, 2022.

Design Schedule: As indicated on the Scope of Work document attached to this proposal.

Project Budget: As defined by the CMR CGMP's

Fees: Lump Sum of \$380,000 for Additional Services related to the project scope.

Authority:

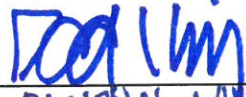
Greater Asheville Regional Airport Authority

By: _____
Executive Director

Date: _____

Consultant:

Gresham Smith

By: 
Title: REGIONAL VICE PRESIDENT
Date: 11.29.22

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer

Genuine Ingenuity

201 S. College Street
Suite 1950
Charlotte, NC 28244
704.944.7970

GreshamSmith.com



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Chief Operating Officer

DATE: December 9, 2022

ITEM DESCRIPTION – New Business Item C

Approval of Change Order No. 2 to Contract with Hensel Phelps Construction Company

BACKGROUND

The Authority entered into a contract with Hensel Phelps Construction Company on December 11, 2020, for Construction Manager at Risk Services associated with planning and construction of the Terminal Modernization Project. Change Order No. 1 was approved by the Board on February 18, 2022, and was administrative in nature, having no cost impacts. Change Order No. 2 contains a further administrative update incorporating the latest language required under North Carolina State Statutes regarding the withholding of retainage throughout the project and adds references to Work Package No. 6 (temporary security screening checkpoint) into the contract documents.

ISSUES

None.

ALTERNATIVES

None.

FISCAL IMPACT

There is no fiscal impact associated with this action. Costs associated with the newly added Work Package No. 6 will be included in the next upcoming bidding process and incorporated in Component Guaranteed Maximum Price (CGMP) No. 3, which is scheduled to be presented to the Airport Board at an upcoming meeting.

New Business - Item C



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve Change Order No. 2 to the contract with Hensel Phelps Construction Company; and (2) Authorize the President & CEO to sign the necessary documents.



AIA[®]

Document G701™ – 2017

Change Order

PROJECT: <i>(Name and address)</i> Terminal Building Modernization and Expansion Project Asheville Regional Airport, Asheville NC	CONTRACT INFORMATION: Contract For: Construction Manager at Risk Date: 12/11/2020	CHANGE ORDER INFORMATION: Change Order Number: 002 (Contract Provisions Only) Date: 12/09/2022
OWNER: <i>(Name and address)</i> Greater Asheville Regional Airport Authority 61 Terminal Dr. Suite 1, Fletcher, NC 28732	ARCHITECT: <i>(Name and address)</i> GS-NC an Affiliate of Gresham Smith 201 South College Street, Suite 1950, Charlotte, NC 28244	CONTRACTOR: <i>(Name and address)</i> Hensel Phelps Construction Company 6557 Hazeltine National Dr. Suite 1, Orlando, FL 32822

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

AIA Contract Document A133-2019, dated the 11th day of December 2020 is hereby amended as follows:

Section 11.1.8.1 Retainage is changed to read - For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due. Retainage amount to be withheld by the Owner prior to Substantial Completion is **five (5) percent**. The Owner shall release retainage associated with each individual phase of construction as each phase individually achieves Substantial Completion, and all other requirements are subsequently met.

Once the Project is 50% complete, the Owner, with written consent of the surety, shall not retain any further retainage from periodic payments due the Contractor if the Contractor continues to perform satisfactorily and any nonconforming work identified in writing prior to that time by the Architect, Engineer, or Owner has been corrected by the Contractor and accepted by the Architect, Engineer, or Owner. If the Owner determines the Contractor's performance is unsatisfactory, the owner may reinstate retainage for each subsequent periodic payment application as authorized up to the maximum amount of 5%. The Project shall be deemed 50% complete when the Contractor's gross Project invoices, excluding the value of materials stored off-site, equal or exceed 50% of the Contract Sum, except the value of materials stored on-site shall not exceed 20% of the Contractor's gross Project invoices for the purpose of determining whether the Project is 50% complete.

Full payment, less authorized deductions, shall also be made for those trades that have reached one hundred percent (100%) completion of their contract by or before the project is 50% complete if the Contractor has performed satisfactorily. However, payment to the early finishing trades is contingent upon the Owner's receipt of an approval or certification from the Architect or Engineer that the work performed by the subcontractor is acceptable and in accordance with the Contract Documents. At that time, the Owner shall reduce the retainage for such trades to 0.5% of the contract. Payments under this subsection shall be made no later than 60 days following receipt of the subcontractor's request or immediately upon receipt of the surety's consent, whichever occurs later. Early finishing trades under this subsection shall include structural steel, piling, caisson, and demolition. The early finishing trades for which line-item release of retained funds is required shall not be construed to prevent an Owner or an Owner's representative from identifying any other trades not listed in this subsection that are also allowed line-item release of retained funds.

Notwithstanding the foregoing, following 50% completion of the Project, the Owner is authorized to withhold additional retainage from a subsequent periodic payment, not to exceed 5% in order to allow the owner to retain 2.5% total retainage through the completion of the Project. If the Owner elects to withhold additional retainage, the Contractor may also withhold additional retainage from the subcontractors.

Nothing herein shall operate to prevent the Owner from complying with the terms of any federal contract or grant when the requirements of the federal contract or grant conflict with the foregoing.

Further, nothing in this section shall prevent the Owner from withholding payment to the Contractor in addition to the amounts authorized by this section for unsatisfactory job progress, defective construction not remedied, disputed work, or third-party claims filed against the Owner or reasonable evidence that a third-party claim will be filed.

Additional modifications to the contract documents are as follows:

1. The Project will be completed utilizing phased construction. Six separate work packages will be issued for the Work as follows:

- * **Work Package #1 (WP1) - Enabling Construction and Lighting Vault Relocation**
- * **Work Package #2 (WP2) - Civil, Central Energy Plant, Baggage Handling System, Passenger Boarding Bridges**
- * **Work Package #3 (WP3) - Primary Structure and Demolition**
- * **Work Package #4 (WP4) - Miscellaneous Steel and Shell**
- * **Work Package #5 (WP5) - Interior Fit-out and MEP/SS**
- * **Work Package #6 (WP6) - Temporary Security Screening Check Point**

2. Rather than one Guaranteed Maximum Price Proposal for the entire Project, the Construction Manager shall provide three Component Guaranteed Maximum Price Proposals, for individual work packages as follows:

- * **Component Guaranteed Maximum Price Proposal #1 for WP1**
- * **Component Guaranteed Maximum Price Proposal #2 for WP2**
- * **Component Guaranteed Maximum Price Proposal #3 for WP3, WP4, WP5, and WP6 collectively.**

3. If a Component Guaranteed Maximum Price Proposal is accepted by Owner, a Component Guaranteed Maximum Price Amendment for the applicable work package (or work packages), shall be executed as follows:

- * **Component Guaranteed Maximum Price Amendment #1 for WP1**
- * **Component Guaranteed Maximum Price Amendment #2 for WP2**
- * **Component Guaranteed Maximum Price Amendment #3 for WP3, WP4, WP5, and WP6 collectively.**

4. In the event of a conflict, inconsistency, or other discrepancy between the language in any of the Contract Documents, the Contract Documents shall be interpreted, as is necessary, to acknowledge the intention of the Owner and Construction Manager to have phased construction consisting of six separate work packages, as well as the Component Guaranteed Maximum Prices, Component Guaranteed Maximum Price Proposals, Component Guaranteed Maximum Price Amendments, and Component Contract Sums, as referenced above.

All other provisions of AIA contract A133-2019 dated the 11th day of December, 2020 and AIA Document G701-2017 dated the 14th day of February 2022 (Change Order 001), not affected by this change order, remain in full force and effect.

CONSTRUCTION PHASE SERVICES CONTRACT SUM:

The original Contract Sum was	\$	<u>0.00</u>
The net change by previously authorized Change Orders	\$	<u>0.00</u>
The Contract Sum prior to this Change Order was	\$	<u>0.00</u>
The Contract Sum will be unchanged by this Change Order in the amount of	\$	<u>0.00</u>
The new Contract Sum including this Change Order will be	\$	<u>0.00</u>
The Contract Time will be unchanged by Zero (0) days.		
The new date of Substantial Completion will be N/A.		

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

N/A for this Change Order

Hensel Phelps Construction Company

Greater Asheville Regional Airport
Authority

ARCHITECT (Firm name)

CONTRACTOR (Firm name)

OWNER (Firm name)

SIGNATURE

Charles L. Davis

SIGNATURE

SIGNATURE

N/A

PRINTED NAME AND TITLE

Charles L. Davis, Operations Manager

PRINTED NAME AND TITLE

Lew Bleiweis, A.A.E., President & CEO

PRINTED NAME AND TITLE

DATE

12/1/22

DATE

DATE

Greater Asheville Regional Airport Authority

This page has been added to this correspondence to ensure compliance with State laws.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Chief Financial Officer

Date



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., President & CEO
DATE: December 9, 2022

ITEM DESCRIPTION – Information Section Item A

October, 2022 Traffic Report – Asheville Regional Airport

SUMMARY

October, 2022 overall passenger traffic numbers were up 13.1% compared to the same period last year. Passenger traffic numbers reflect a 12.7% increase in passenger enplanements from October, 2021. Enplanements for Fiscal Year to Date total 369,524, which is a 16.1% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in October 2022 were down by 10.7%. There were 98 flight cancellations for the month.

American Airlines: American's October 2022 passenger enplanements represent a 58.5% increase over the same period last year. There were 5 flight cancellations for the month.

Delta Airlines: Enplanements for Delta in October 2022 increased by 26.7%. There were no flight cancellations for the month.

Sun Country: Sun Country saw an increase in enplanements by 40.5% compared to October, 2021. There were no flight cancellations for the month.

United Airlines: In October 2022, United Airlines saw a decrease in enplanements by 15.7% over the same period last year. There was 1 flight cancellation for the month.

Monthly Traffic Report

Asheville Regional Airport

October 2022



Category	Oct 2022	Oct 2021	Percentage Change	*CYTD-2022	*CYTD-2021	Percentage Change	*MOV12-2022	*MOV12-2021	Percentage Change
Passenger Traffic									
Enplaned	96,632	85,762	12.7%	764,958	587,296	30.3%	893,677	651,643	37.1%
Deplaned	<u>97,251</u>	<u>85,714</u>	13.5%	<u>759,297</u>	<u>584,163</u>	30.0%	<u>887,385</u>	<u>647,817</u>	37.0%
Total	193,883	171,476	13.1%	1,524,255	1,171,459	30.1%	1,781,062	1,299,460	37.1%
Aircraft Operations									
Airlines	1,722	1,280	34.5%	14,069	11,959	17.6%	16,213	13,924	16.4%
Commuter/ Air Taxi	<u>1,130</u>	<u>1,609</u>	-29.8%	8,523	10,869	-21.6%	10,242	12,109	-15.4%
Subtotal	<u>2,852</u>	<u>2,889</u>	-1.3%	<u>22,592</u>	<u>22,828</u>	-1.0%	<u>26,455</u>	<u>26,033</u>	1.6%
General Aviation	4,545	3,566	27.5%	40,830	37,339	9.3%	48,136	44,066	9.2%
Military	<u>512</u>	<u>404</u>	26.7%	<u>4,399</u>	<u>3,393</u>	29.6%	<u>5,408</u>	<u>4,007</u>	35.0%
Subtotal	<u>5,057</u>	<u>3,970</u>	27.4%	<u>45,229</u>	<u>40,732</u>	11.0%	<u>53,544</u>	<u>48,073</u>	11.4%
Total	7,909	6,859	15.3%	67,821	63,560	6.7%	79,999	74,106	8.0%
Fuel Gallons									
100LL	22,338	16,380	36.4%	150,034	152,366	-1.5%	181,178	176,318	2.8%
Jet A (GA)	201,053	253,581	-20.7%	1,618,718	1,584,789	2.1%	1,886,931	1,816,398	3.9%
Subtotal	<u>223,391</u>	<u>269,961</u>	-17.3%	<u>1,768,752</u>	<u>1,737,155</u>	1.8%	<u>2,068,109</u>	<u>1,992,716</u>	3.8%
Jet A (A/L)	<u>897,952</u>	<u>742,057</u>	21.0%	<u>7,300,932</u>	<u>6,503,772</u>	12.3%	<u>8,716,091</u>	<u>7,318,859</u>	19.1%
Total	1,121,343	1,012,018	10.8%	9,069,684	8,240,927	10.1%	10,784,200	9,311,575	15.8%

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

Tuesday, November 29, 2022

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

October 2022



	Oct 2022	Oct 2021	Percentage Change	*CYTD-2022	*CYTD-2021	Percentage Change
Allegiant Air						
Enplanements	36,055	40,366	-10.7%	339,777	273,223	24.4%
Seats	43,995	50,991	-13.7%	406,896	396,972	2.5%
Load Factor	82.0%	79.2%	3.5%	83.5%	68.8%	21.3%
American Airlines						
Enplanements	34,223	21,598	58.5%	199,295	161,028	23.8%
Seats	39,528	26,726	47.9%	237,823	221,727	7.3%
Load Factor	86.6%	80.8%	7.1%	83.8%	72.6%	15.4%
Delta Air Lines						
Enplanements	17,021	13,434	26.7%	155,200	96,585	60.7%
Seats	20,706	15,370	34.7%	190,324	140,486	35.5%
Load Factor	82.2%	87.4%	-6.0%	81.5%	68.8%	18.6%
JetBlue						
Enplanements	0	0	#Num!	6,167	0	#Div/0!
Seats	0	0	#Num!	7,262	0	#Div/0!
Load Factor	#Num!	#Num!	#Type!	84.9%	#Num!	#Type!
Sun Country						
Enplanements	1,484	1,056	40.5%	14,955	1,056	1316.2%
Seats	1,674	1,488	12.5%	19,344	1,488	1200.0%
Load Factor	88.6%	71.0%	24.9%	77.3%	71.0%	8.9%
United Airlines						
Enplanements	7,849	9,308	-15.7%	49,564	55,404	-10.5%
Seats	9,270	10,550	-12.1%	59,007	71,526	-17.5%
Load Factor	84.7%	88.2%	-4.0%	84.0%	77.5%	8.4%

Monday, November 21, 2022

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

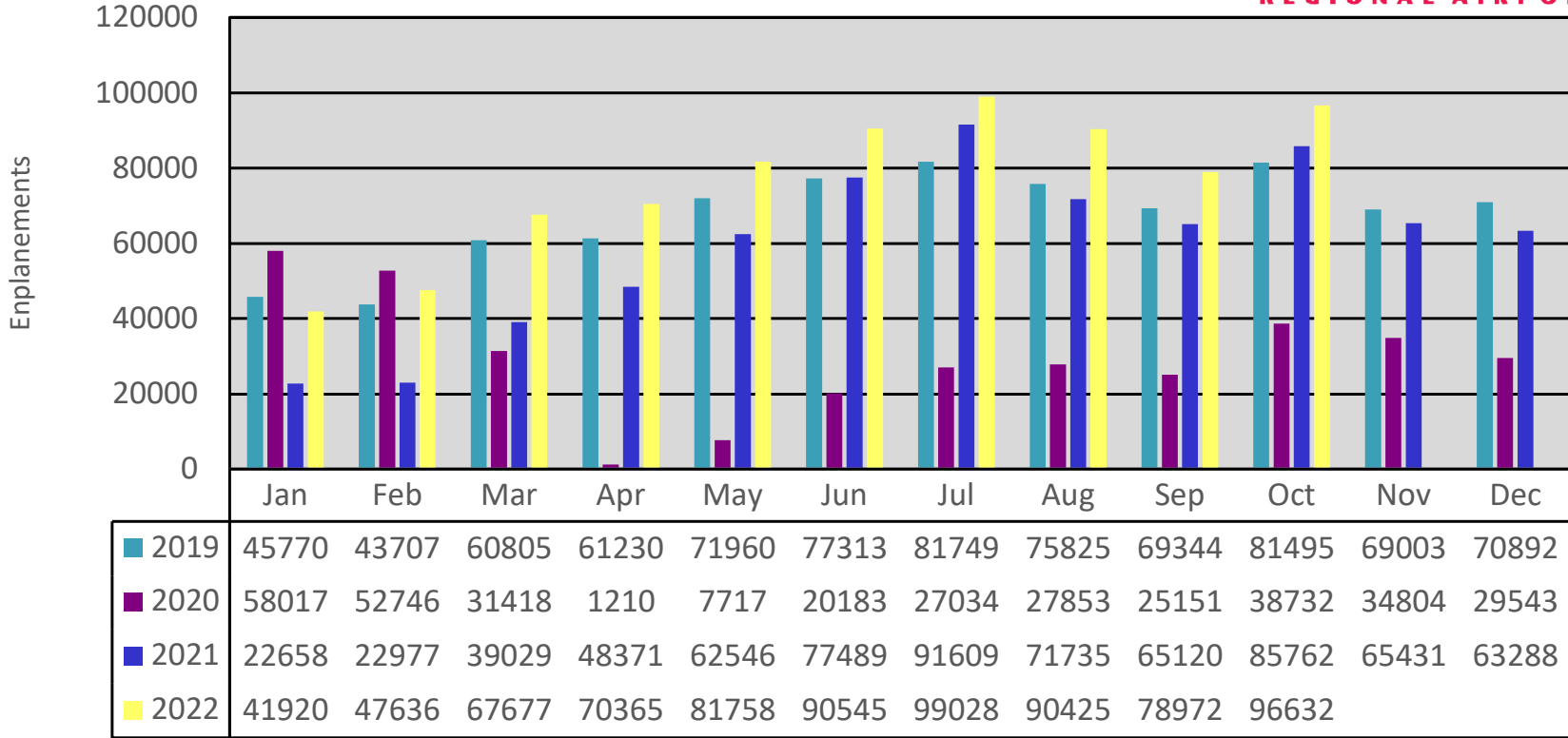
	Oct 2022	Oct 2021	Percentage Change	*CYTD-2022	*CYTD-2021	Percentage Change
Totals						
Enplanements	96,632	85,762	12.7%	764,958	587,296	30.3%
Seats	115,173	105,125	9.6%	920,656	832,199	10.6%
Load Factor	83.9%	81.6%	2.8%	83.1%	70.6%	17.7%

Airline Flight Completions Asheville Regional Airport October 2022

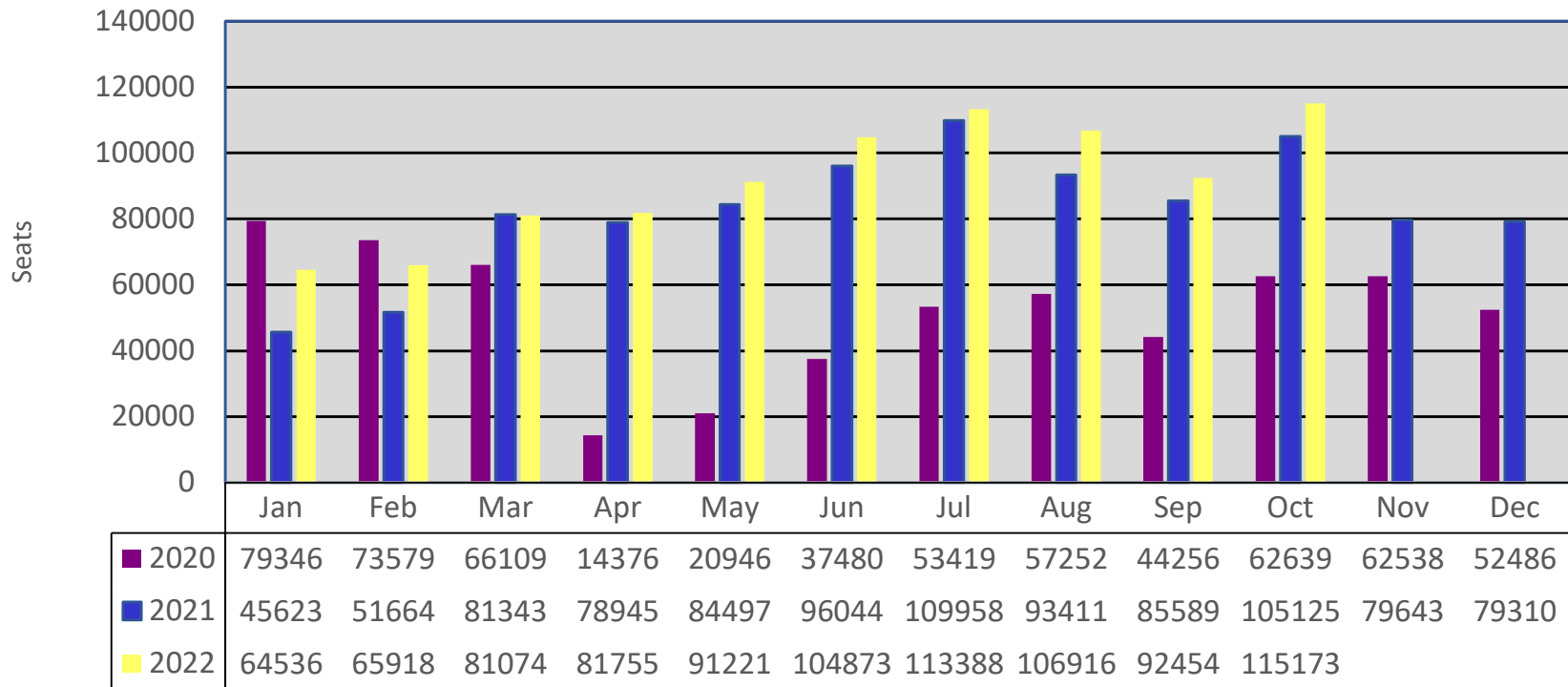


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	349	0	0	0	98	98	71.9%
American Airlines	498	0	2	3	0	5	99.0%
Delta Air Lines	208	0	0	0	0	0	100.0%
Sun Country	10	0	0	0	0	0	100.0%
United Airlines	153	0	1	0	0	1	99.3%
Total	1,218	0	3	3	98	104	91.5%

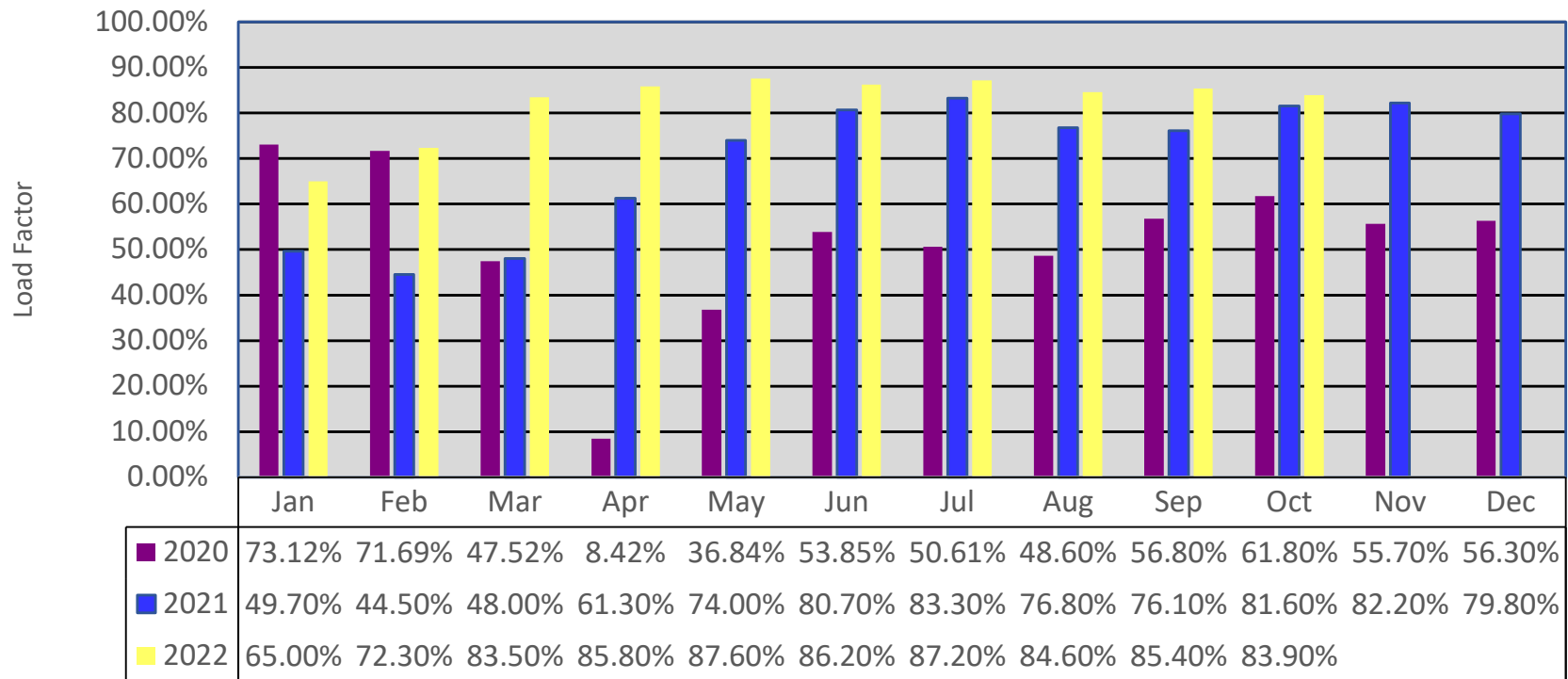
Monthly Enplanements By Year Asheville Regional Airport



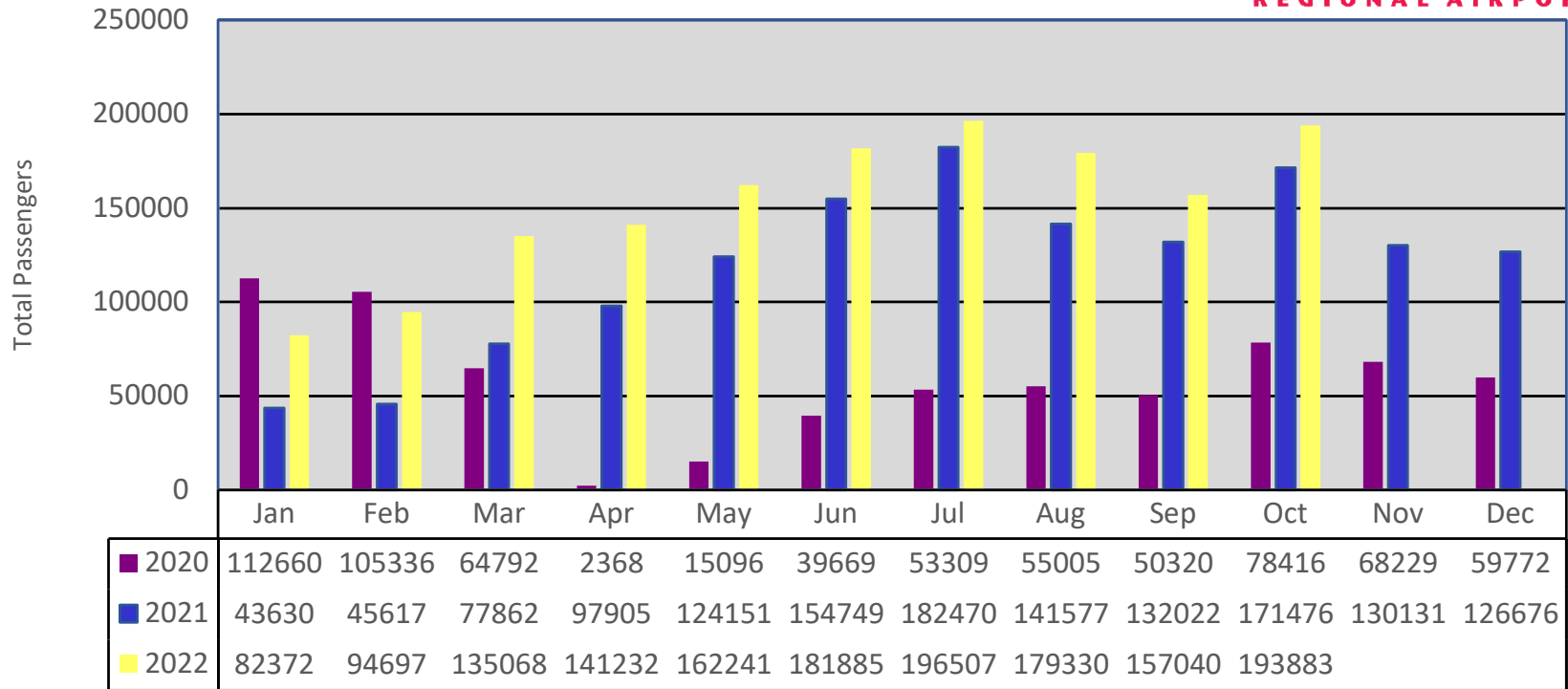
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

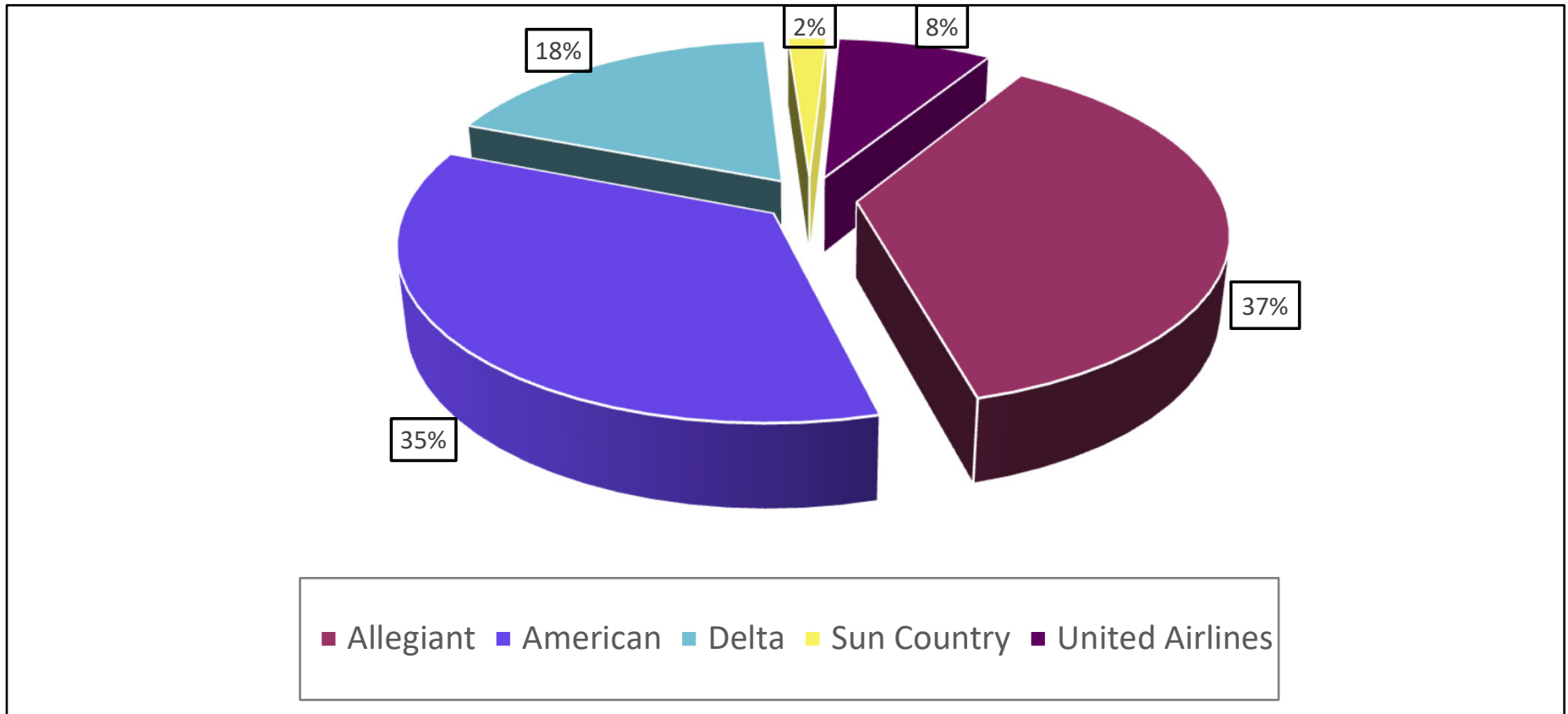


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From October 2022 Through October 2022

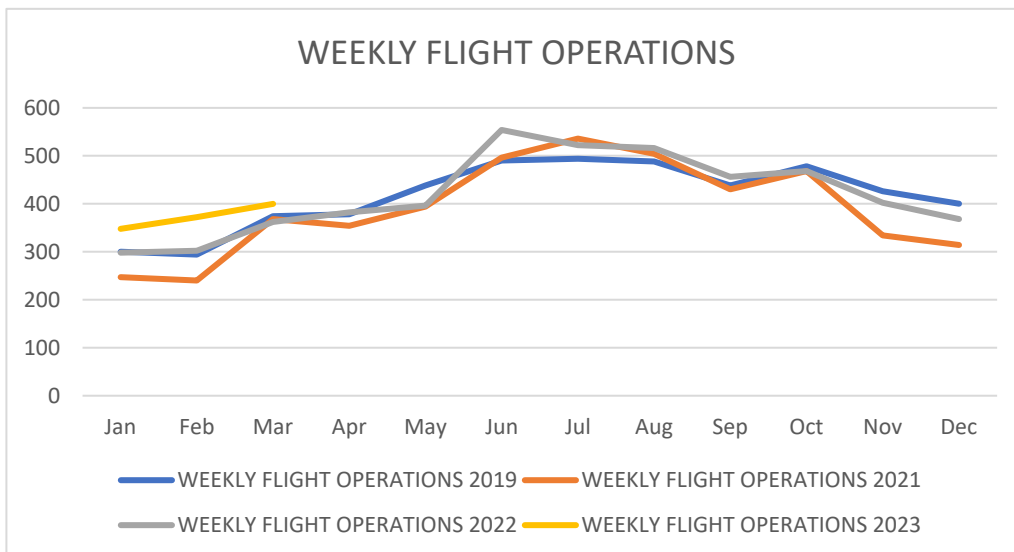
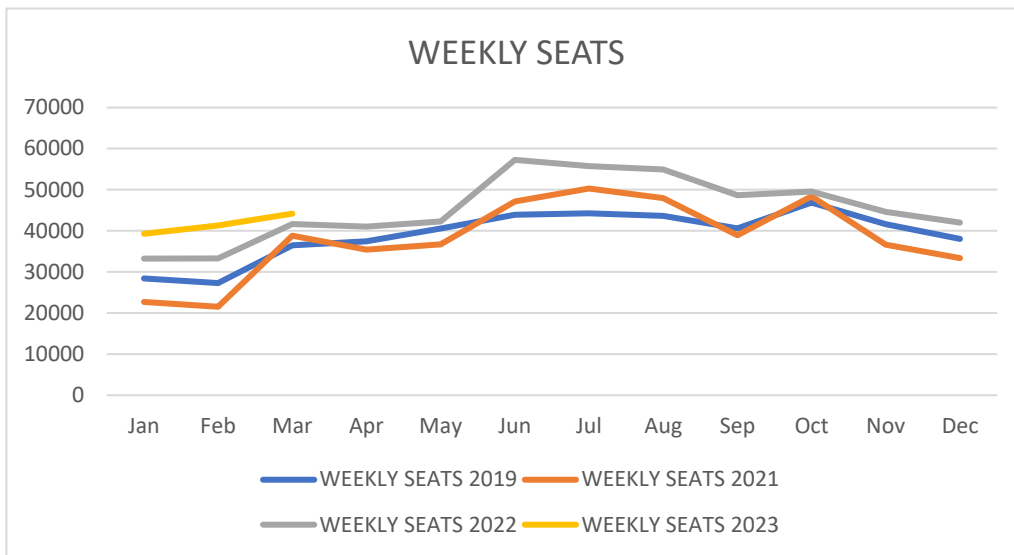
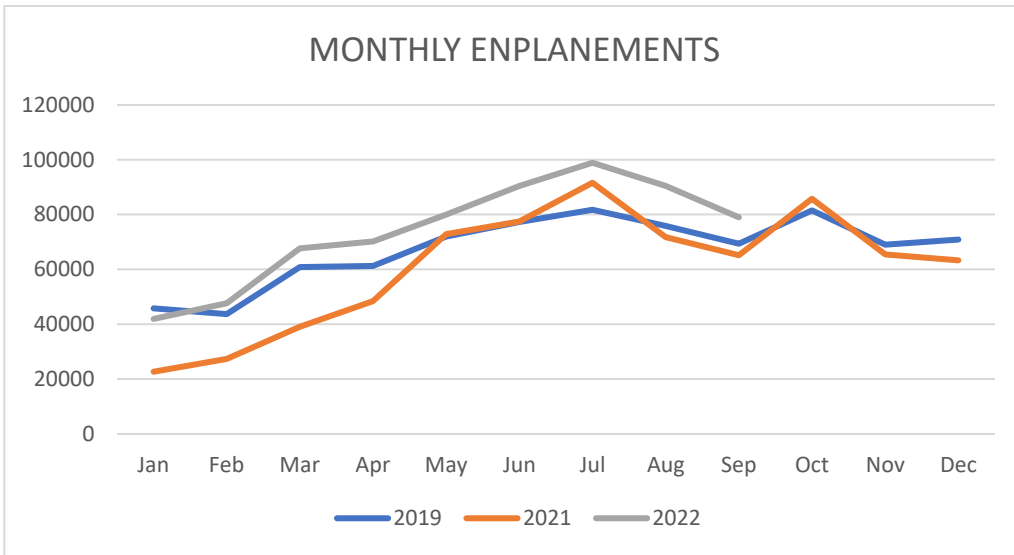


AVL - Three month schedule Summary Report
 January 2023 to March 2023 vs. January 2022 to March 2022 vs. January 2021 to March 2021
 28-Nov-22

Mkt AI	Travel Period		Jan 2023		Jan 2022		Jan 2021		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	AUS-AVL	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-AUS	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-BOS	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	CLT	38	3,487	41	3,017	39	2,821	(3)	470	(7.3%)	15.6%	(1)	866	(2.6%)	23.6%
AA	CLT-AVL	CLT	38	3,487	41	3,017	39	2,821	(3)	470	(7.3%)	15.6%	(1)	865	(2.6%)	23.1%
AA	AVL-DCA	DCA	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	DCA-AVL	DCA	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	AVL-DFW	DFW	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0.0%	0.0%
AA	DFW-AVL	DFW	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0.0%	0.0%
AA	AVL-LGA	LGA	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	LGA-AVL	LGA	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	AVL-MIA	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	MIA-AVL	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-ORD	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	PHL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	PHL-AVL	PHL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	AVL-BOS	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	ATL-AVL	ATL	38	3,942	32	3,520	32	2,276	6	422	18.8%	12.0%	6	1,666	18.8%	73.2%
DL	AVL-ATL	ATL	38	3,942	32	3,520	32	2,276	6	422	18.8%	12.0%	6	1,666	18.8%	73.2%
DL	AVL-DTW	DTW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	DTW-AVL	DTW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	AVL-LGA	LGA	13	952	0	0	0	0	13	952	-	-	13	952	-	-
DL	LGA-AVL	LGA	13	952	0	0	0	0	13	952	-	-	13	952	-	-
DL	AVL-MSP	MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
DL	MSP-AVL	MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
G4	AUS-AVL	AUS	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
G4	AVL-AUS	AUS	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
G4	AVL-BOS	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-BWI	BWI	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BWI-AVL	BWI	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-DEN	DEN	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	DEN-AVL	DEN	2	372	0	0	0	0	2	372	-	-	2	372	-	-
G4	AVL-EWR	EWR	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	EWR-AVL	EWR	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%
G4	AVL-EYW	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	EYW-AVL	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	AVL-FLL	FLL	10	1,755	10	1,707	7	1,239	0	48	0.0%	2.8%	3	516	42.9%	41.6%
G4	FLL-AVL	FLL	10	1,755	10	1,707	7	1,239	0	48	0.0%	2.8%	3	516	42.9%	41.6%
G4	AVL-HOU	HOU	0	0	2	354	2	354	(2)	(354)	(100.0%)	(100.0%)	(2)	(354)	(100.0%)	(100.0%)
G4	HOU-AVL	HOU	0	0	2	354	2	354	(2)	(354)	(100.0%)	(100.0%)	(2)	(354)	(100.0%)	(100.0%)
G4	AVL-LAS	LAS	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	LAS-AVL	LAS	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	AVL-MDW	MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	MDW-AVL	MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-MSP	MSP	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
G4	MSP-AVL	MSP	0	0	2	312	0	0	(2)	(312)	(100.0%)	(100.0%)	0	0	-	-
G4	AVL-PBI	PBI	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	PBI-AVL	PBI	2	372	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-PGD	PGD	2	312	4	687	2	354	(2)	(375)	(50.0%)	(54.6%)	0	(42)	0.0%	(11.9%)
G4	PGD-AVL	PGD	2	312	4	687	2	354	(2)	(375)	(50.0%)	(54.6%)	0	(42)	0.0%	(11.9%)
G4	AVL-PIE	PIE	5	870	6	1,062	4	708	(1)	(192)	(16.7%)	(18.1%)	1	162	25.0%	22.9%
G4	PIE-AVL	PIE	5	870	6	1,062	4	708	(1)	(192)	(16.7%)	(18.1%)	1	162	25.0%	22.9%
G4	AVL-SFB	SFB	8	1,428	10	1,725	5	885	(2)	(297)	(20.0%)	(17.2%)	3	543	60.0%	61.4%
G4	SFB-AVL	SFB	8	1,428	10	1,725	5	885	(2)	(297)	(20.0%)	(17.2%)	3	543	60.0%	61.4%
G4	AVL-SRQ	SRQ	2	312	2	372	3	531	0	(60)	0.0%	(16.1%)	(1)	(219)	(33.3%)	(41.2%)
G4	SRQ-AVL	SRQ	2	312	2	372	3	531	0	(60)	0.0%	(16.1%)	(1)	(219)	(33.3%)	(41.2%)
G4	AVL-VPS	VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	VPS-AVL	VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
SY	AVL-MSP	MSP	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
SY	MSP-AVL	MSP	2	372	2	372	0	0	0	0	0.0%	0.0%	2	372	-	-
UA	AVL-EWR	EWR	7	350	0	0	0	0	7	350	-	-	7	350	-	-
UA	EWR-AVL	EWR	7	350	0	0	0	0	7	350	-	-	7	350	-	-
UA	AVL-IAD	IAD	0	0	7	350	11	550	(7)	(350)	(100.0%)	(100.0%)	(11)	(550)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD	0	0	7	350	11	550	(7)	(350)	(100.0%)	(100.0%)	(11)	(550)	(100.0%)	(100.0%)
UA	AVL-ORD	ORD	14	700	12	600	7	350	2	100	16.7%	16.7%	7	350	100.0%	100.0%
UA	ORD-AVL	ORD	14	700	12	600	7	350	2	100	16.7%	16.7%	7	350	100.0%	100.0%
	Total		346	36,436	294	32,628	247	22,677	52	3,808	17.7%	11.7%	99	13,759	40.1%	60.7%

Mkt/AL	Travel Period		Feb 2023		Feb 2022		Feb 2021		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	AUS-AVL	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-AUS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL	33	3,184	41	3,039	39	2,865	(8)	145	(19.5%)	4.8%	(6)	319	-15%	11%
AA	CLT-AVL	CLT	33	3,184	41	3,039	39	2,865	(6)	145	(19.5%)	4.8%	(6)	319	-15%	11%
AA	AVL-DCA	AVL	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	DCA-AVL	DCA	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	AVL-DFW	AVL	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0%	0%
AA	DFW-AVL	DFW	7	532	7	532	7	532	0	0	0.0%	0.0%	0	0	0%	0%
AA	AVL-LGA	AVL	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	LGA-AVL	LGA	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	AVL-MIA	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	MIA-AVL	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-ORD	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	PHL-AVL	PHL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	AVL-ATL	AVL	38	4,180	32	3,520	31	2,174	6	660	18.8%	18.8%	7	2,006	23%	92%
DL	ATL-AVL	ATL	38	4,180	32	3,520	31	2,174	6	660	18.8%	18.8%	7	2,006	23%	92%
DL	AVL-LGA	AVL	13	916	0	0	0	0	13	916	-	-	13	916	-	-
DL	LGA-AVL	LGA	13	916	0	0	0	0	13	916	-	-	13	916	-	-
DL	AVL-MSP	AVL	1	132	0	0	0	0	1	132	-	-	1	132	-	-
DL	MSP-AVL	MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
G4	AVL-AUS	AVL	2	312	2	333	0	0	0	(21)	0.0%	(6.3%)	2	312	-	-
G4	AUS-AVL	AUS	2	312	2	333	0	0	0	(21)	0.0%	(6.3%)	2	312	-	-
G4	AVL-BOS	AVL	2	372	2	333	0	0	0	39	0.0%	11.7%	2	372	-	-
G4	BOS-AVL	BOS	2	372	2	333	0	0	0	39	0.0%	11.7%	2	372	-	-
G4	AVL-BWI	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	BWI-AVL	BWI	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-DEN	AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	DEN-AVL	DEN	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-EWR	AVL	2	372	2	333	2	354	0	39	0.0%	11.7%	0	18	0.0%	5.1%
G4	EWR-AVL	EWR	2	372	2	333	2	354	0	39	0.0%	11.7%	0	18	0.0%	5.1%
G4	AVL-EYW	AVL	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	EYW-AVL	EYW	2	312	2	312	0	0	0	0	0.0%	0.0%	2	312	-	-
G4	AVL-FLL	AVL	12	2,004	12	1,977	6	1,062	0	27	0.0%	1.4%	6	942	100.0%	88.7%
G4	FLL-AVL	FLL	12	2,004	12	1,977	6	1,062	0	27	0.0%	1.4%	6	942	100.0%	88.7%
G4	AVL-HOU	AVL	0	0	2	333	2	354	(2)	(333)	(100.0%)	(100.0%)	(2)	(354)	(100.0%)	(100.0%)
G4	HOU-AVL	HOU	0	0	2	333	2	354	(2)	(333)	(100.0%)	(100.0%)	(2)	(354)	(100.0%)	(100.0%)
G4	AVL-LAS	AVL	2	312	2	372	0	0	0	(60)	0.0%	(16.1%)	2	312	-	-
G4	LAS-AVL	LAS	2	312	2	372	0	0	0	(60)	0.0%	(16.1%)	2	312	-	-
G4	AVL-MDW	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	MDW-AVL	MDW	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	AVL-MSP	AVL	2	372	2	333	0	0	0	39	0.0%	11.7%	2	372	-	-
G4	MSP-AVL	MSP	2	372	2	333	0	0	0	39	0.0%	11.7%	2	372	-	-
G4	AVL-PBI	AVL	2	312	2	312	2	354	0	0	0.0%	0.0%	0	(42)	0.0%	(11.9%)
G4	PBI-AVL	PBI	2	312	2	312	2	354	0	0	0.0%	0.0%	0	(42)	0.0%	(11.9%)
G4	AVL-PGD	AVL	4	714	4	666	2	354	0	48	0.0%	7.2%	2	360	100.0%	101.7%
G4	PGD-AVL	PGD	4	714	4	666	2	354	0	48	0.0%	7.2%	2	360	100.0%	101.7%
G4	AVL-PIE	AVL	6	1,116	9	1,617	4	708	(3)	(501)	(33.3%)	(31.0%)	2	408	50.0%	57.6%
G4	PIE-AVL	PIE	6	1,116	9	1,617	4	708	(3)	(501)	(33.3%)	(31.0%)	2	408	50.0%	57.6%
G4	AVL-SFB	AVL	10	1,830	9	1,509	4	708	1	321	11.1%	21.3%	6	1,122	150.0%	158.5%
G4	SFB-AVL	SFB	10	1,830	9	1,509	4	708	1	321	11.1%	21.3%	6	1,122	150.0%	158.5%
G4	AVL-SRQ	AVL	2	372	2	333	2	354	0	39	0.0%	11.7%	0	18	0.0%	5.1%
G4	SRQ-AVL	SRQ	2	372	2	333	2	354	0	39	0.0%	11.7%	0	18	0.0%	5.1%
G4	AVL-VPS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
G4	VPS-AVL	VPS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
SY	AVL-MSP	AVL	2	372	1	186	0	0	1	186	100.0%	100.0%	2	372	-	-
SY	MSP-AVL	MSP	2	372	1	186	0	0	1	186	100.0%	100.0%	2	372	-	-
UA	AVL-EWR	AVL	7	496	0	0	0	0	7	496	-	-	7	496	-	-
UA	EWR-AVL	EWR	7	496	0	0	0	0	7	496	-	-	7	496	-	-
UA	AVL-IAD	AVL	0	0	7	350	12	600	(7)	(350)	(100.0%)	(100.0%)	(12)	(600)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD	0	0	7	350	12	600	(7)	(350)	(100.0%)	(100.0%)	(12)	(600)	(100.0%)	(100.0%)
UA	AVL-ORD	AVL	21	1,050	14	700	11	550	7	490	50.0%	70.0%	10	500	90.9%	90.9%
UA	ORD-AVL	ORD	21	1,050	14	700	11	550	7	490	50.0%	70.0%	10	500	90.9%	90.9%
Total			372	41,292	308	34,180	240	21,538	64	7,112	20.8%	20.8%	132	19,754	55.0%	91.7%

Mkt/AL	Travel Period		Mar 2023		Mar 2022		Mar 2021		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	AUS-AVL	AUS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-AUS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL	33	3,184	38	2,888	46	3,364	(5)	296	(13.2%)	10.2%	(13)	(180)	(28.3%)	(5.4%)
AA	CLT-AVL	CLT	33	3,184	38	2,888	46	3,364	(5)	296	(13.2%)	10.2%	(13)	(180)	(28.3%)	(5.4%)
AA	AVL-DCA	AVL	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	DCA-AVL	DCA	7	455	0	0	0	0	7	455	-	-	7	455	-	-
AA	AVL-DFW	AVL	14	1,064	7	532	14	1,064	7	532	100.0%	100.0%	0	0	0%	0%
AA	DFW-AVL	DFW	14	1,064	7	532	14	1,064	7	532	100.0%	100.0%	0	0	0%	0%
AA	AVL-LGA	AVL	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	LGA-AVL	LGA	7	477	0	0	0	0	7	477	-	-	7	477	-	-
AA	AVL-MIA	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	MIA-AVL	MIA	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-ORD	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	PHL-AVL	PHL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	AVL-BOS	AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
B6	BOS-AVL	BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
DL	AVL-ATL	AVL	41	4,510	32	3,520	39	2,964	9	990	28.1%	28.1%	2	1,546	5.1%	52.2%
DL	ATL-AVL	ATL	41	4,510	32	3,520	39	2,964	9	990	28.1%	28.1%	2	1,546	5.1%	52.2%
DL	AVL-LGA	AVL	13	916	13	916	0	0	0	0	0.0%	0.0%	13	916	-	-
DL	LGA-AVL	LGA	13	916	13	916	0	0	0	0	0.0%	0.0%	13	916	-	-
DL	AVL-MSP	AVL	1	132	0	0	0	0	1	132	-	-	1	132	-	-
DL	MSP-AVL	MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
G4	AVL-AUS	AVL	2	312	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AUS-AVL	AUS	2	312	2	312	2	354	0	60	0.0%	19.2%	0	18	0.0%	5.1%
G4	AVL-BOS	AVL	2	372	2	354	2	354	0	18	0.0%	5.1%	0	18	0.0%	5.1%</





MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Chief Financial Officer
DATE: December 9, 2022

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of October 2022

SUMMARY

Operating Revenues for the month of October were \$2,215,944, 31.0% over budget. Operating Expenses for the month were \$894,073, 23.7% under budget. As a result, Net Operating Revenues before Depreciation were \$1,321,871. Net Non-Operating Revenues were (\$21,613), which includes \$983,723 in 2022A Bond interest expense to be paid from the Bond Capitalized Interest account semi-annually.

Year-to-date Operating Revenues were \$8,519,253, 25.9% over budget. Year-to-date Operating Expenses were \$3,867,627, 23.0% under budget. Year-to-date Net Operating Revenues before Depreciation were \$4,651,626. Net Non-Operating Revenues for the year were \$1,702,496, which includes \$3,934,891 in 2022A Bond interest expense.

REVENUES

Significant variations to budget for October were:

Term rentals – airlines	\$64,142	25.10%	Enplanements over budget
Landing fees	\$55,226	31.71%	Landings over budget
Concessions	\$66,516	125.06%	Enplanements over budget
Auto parking	\$203,521	32.56%	Enplanements over budget
Rental car rentals	\$105,381	31.61%	Enplanements over budget
FBOs	\$17,679	18.51%	Rent increase

Information Section – Item B



EXPENSES

Significant variations to budget for October were:

Professional services	(\$50,078)	(123.55%)	Minimal professional services during month
Promotional activities	(\$10,434)	(38.05%)	Minimal promotional activities
Subscriptions, memberships	\$24,185	396.45%	ACI membership
Repairs & maintenance	(\$45,884)	(284.99%)	Received insurance proceeds - gate damage
Emergency repairs	\$37,127	891.06%	Repaint runway & emergency spill

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$680KM mostly due to interest earnings and grant funding.

Grants Receivable – Grants Receivable decreased by \$690K mostly due to receipt of grant funds.

Construction in Progress – Construction in Progress increased by \$3.1M mostly due to the terminal and south general aviation apron projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$455K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of October 31, 2022**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	1.11%	\$ 10,683,575	10,725
NC Capital Management Trust - Cash Portfolio		20,619,318	51,337
Petty Cash		200	
 <u>Restricted Cash:</u>			
Bank of America - PFC Revenue Account	1.11%	14,550,115	13,293
BNY Mellon		567,039	
NC Capital Mgt Trust - 2022A Construction		152,437,725	379,406
NC Capital Mgt Trust - 2022A Parity Reserve		13,500,534	33,613
NC Capital Mgt Trust - 2022A Capitalized Interest		30,412,028	75,844
 Total		<u>\$ 242,770,533</u>	<u>\$ 564,217</u>

Investment Diversification:

Banks	11%
NC Capital Management Trust	89%
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, 2022**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 242,088,830	\$ 240,688,668
Net Income/(Loss) Before Capital Contributions	844,481	2,110,198
Depreciation	455,777	455,777
Decrease/(Increase) in Receivables	324,085	(1,850,057)
Increase/(Decrease) in Payables	827,073	1,823,997
Decrease/(Increase) in Prepaid Expenses	(1,826,169)	303,931
Decrease/(Increase) in Fixed Assets	(3,169,545)	(4,243,522)
Principal Payments of Bond Maturities	-	-
Capital Contributions	1,399,832	2,799,838
Forfeiture Funding Increase	-	-
Prior period adjustment - Bond insurance	1,826,169	
Increase(Decrease) in Cash	681,703	1,400,162
Cash and Investments End of Period	\$ 242,770,533	\$ 242,088,830

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of October 31, 2022**

	<u>Current Month</u>	<u>Last Month</u>
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$31,303,092	\$31,579,989
Accounts Receivable	1,136,395	809,887
Passenger Facility Charges Receivable	315,000	315,000
Refundable Sales Tax Receivable	123,003	82,022
Grants Receivable	3,913,529	4,605,103
Prepaid Expenses	2,975,704	1,149,535
GASB 87 Short-term Lease Receivable	1,624,751	1,624,751
Total Unrestricted Assets	<u>41,391,474</u>	<u>40,166,287</u>
Restricted Assets:		
Cash and Cash Equivalents	211,467,440	210,508,841
Total Restricted Assets	<u>211,467,440</u>	<u>210,508,841</u>
Total Current Assets	<u>252,858,914</u>	<u>250,675,128</u>
Noncurrent Assets:		
Construction in Progress	42,585,337	39,415,792
Net Pension Asset - LGERS	(689,136)	(689,136)
Benefit Payment - OPEB	477,830	477,830
Contributions in Current Year	1,401,569	1,401,569
GASB 87 Long-term Lease Receivable	16,387,282	16,387,282
Property and Equipment - Net	172,090,974	172,546,751
Total Noncurrent Assets	<u>232,253,856</u>	<u>229,540,088</u>
	<u>\$485,112,770</u>	<u>\$480,215,216</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	(\$8,941)	(\$42,150)
Customer Deposits	88,018	88,018
Unearned Revenue	863,058	1,052,916
Construction Contract Retainages	715,740	715,740
Revenue Bond Payable - Current	1,375,000	1,375,000
GASB 87 Short-term Deferred Revenue	2,257,607	2,257,607
Interest Payable	3,934,890	2,951,168
Total Payable from Unrestricted Assets	<u>9,225,372</u>	<u>8,398,299</u>
Total Current Liabilities	<u>9,225,372</u>	<u>8,398,299</u>
Noncurrent Liabilities:		
Pension Deferrals - OPED	208,860	208,860
Other Postemployment Benefits	2,616,865	2,616,865
Compensated Absences	655,090	655,090
Net Pension Obligation-LEO Special Separation Allowance	654,955	654,955
GASB 87 Long-term Deferred Revenue	16,011,357	16,011,357
Revenue Bond Payable - 2016 - Noncurrent	12,270,000	12,270,000
Revenue Bond Payable - 2022A - Noncurrent	196,939,329	194,729,242
Revenue Bond 2022A Issue Costs	0	0
Total Noncurrent Liabilities	<u>229,356,456</u>	<u>227,146,369</u>
Total Liabilities	<u>238,581,828</u>	<u>235,544,668</u>
Net Assets:		
Invested in Capital Assets	201,031,311	198,317,543
Restricted	211,467,440	210,508,841
Unrestricted	(165,967,809)	(164,155,836)
Total Net Assets	<u>246,530,942</u>	<u>244,670,548</u>
	<u>\$485,112,770</u>	<u>\$480,215,216</u>



Income Statement

Through 10/31/22

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	24,878.56	99,439.27	99,800.67	(361.40)	299,402.00	199,962.73
Terminal space rentals - airline	319,665.61	1,218,469.30	1,022,094.67	196,374.63	3,066,284.00	1,847,814.70
Landing fees	229,372.35	804,843.19	696,585.00	108,258.19	2,089,755.00	1,284,911.81
Concessions	119,703.95	373,818.61	212,750.00	161,068.61	638,250.00	264,431.39
Auto parking	828,520.85	3,259,379.29	2,500,000.00	759,379.29	7,500,000.00	4,240,620.71
Rental car - car rentals	438,713.93	1,668,926.36	1,333,333.33	335,593.03	4,000,000.00	2,331,073.64
Rental car - facility rent	61,376.83	245,507.32	244,505.00	1,002.32	733,515.00	488,007.68
Commerce ground transportation	22,499.20	94,050.23	70,000.00	24,050.23	210,000.00	115,949.77
FBOs	113,196.82	460,622.28	382,072.00	78,550.28	1,146,216.00	685,593.72
Building leases	4,231.15	16,542.22	15,995.00	547.22	47,985.00	31,442.78
Land leases	29,365.79	116,782.15	97,774.00	19,008.15	293,322.00	176,539.85
Other leases and fees	24,418.58	160,872.67	93,600.00	67,272.67	280,800.00	119,927.33
<i>Operating revenues Totals</i>	<u>\$2,215,943.62</u>	<u>\$8,519,252.89</u>	<u>\$6,768,509.67</u>	<u>\$1,750,743.22</u>	<u>\$20,305,529.00</u>	<u>\$11,786,276.11</u>
<i>Non-operating revenue and expense</i>						
Customer facility charges	223,244.00	822,438.75	666,666.67	155,772.08	2,000,000.00	1,177,561.25
Passenger facility charges	314,683.83	1,348,650.09	1,000,000.00	348,650.09	3,000,000.00	1,651,349.91
ARPA grant	(140,035.14)	1,779,479.25	.00	1,779,479.25	.00	(1,779,479.25)
Interest revenue	564,216.99	1,686,818.21	8,333.33	1,678,484.88	25,000.00	(1,661,818.21)
Interest expense	(983,722.66)	(3,934,890.67)	.00	(3,934,890.67)	.00	3,934,890.67
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>	<u>(\$21,612.98)</u>	<u>\$1,702,495.63</u>	<u>\$1,675,000.00</u>	<u>\$27,495.63</u>	<u>\$5,025,000.00</u>	<u>\$3,322,504.37</u>
Capital contributions	1,399,830.94	5,419,503.39	.00	5,419,503.39	.00	(5,419,503.39)



Income Statement

Through 10/31/22

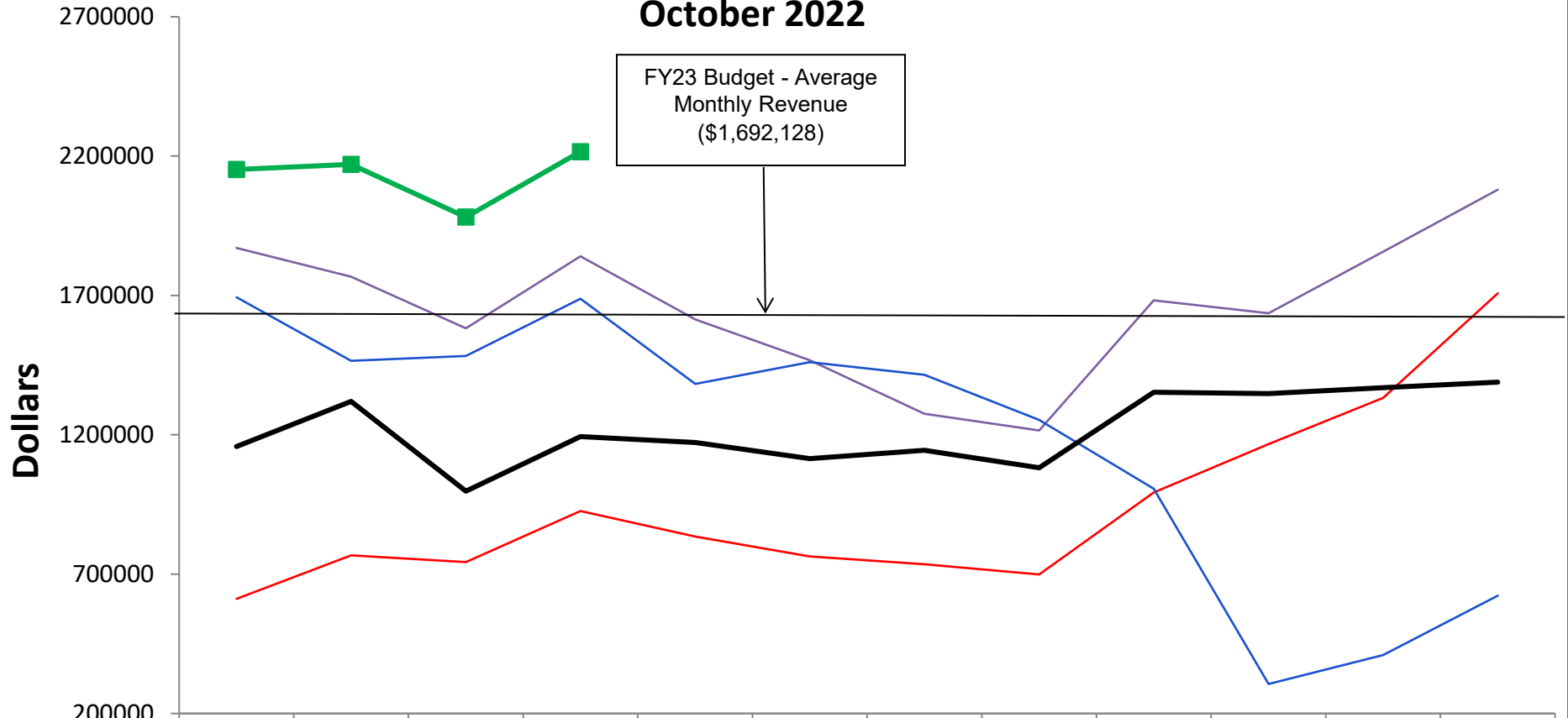
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
<i>Operating expenses</i>						
Personnel services	578,833.63	2,243,855.83	3,020,979.00	(777,123.17)	9,062,937.00	6,819,081.17
Professional services	(9,544.96)	51,347.60	162,133.33	(110,785.73)	486,400.00	435,052.40
Other contractual services	152,951.75	650,433.58	666,610.00	(16,176.42)	1,999,830.00	1,349,396.42
Travel and training	9,552.39	42,232.14	73,910.00	(31,677.86)	221,730.00	179,497.86
Communications	3,552.15	12,543.08	19,400.00	(6,856.92)	58,200.00	45,656.92
Utility services	48,401.83	112,022.63	163,089.00	(51,066.37)	489,267.00	377,244.37
Rentals and leases	1,637.03	7,196.69	6,236.67	960.02	18,710.00	11,513.31
Insurance	(4,740.00)	330,671.68	334,400.00	(3,728.32)	334,400.00	3,728.32
Advertising, printing and binding	1,044.24	2,402.46	3,816.67	(1,414.21)	11,450.00	9,047.54
Promotional activities	16,988.78	47,369.07	109,691.67	(62,322.60)	329,075.00	281,705.93
Other current charges and obligations	5,039.84	29,807.25	27,758.33	2,048.92	83,275.00	53,467.75
Operating supplies	32,263.24	154,123.31	163,833.33	(9,710.02)	491,500.00	337,376.69
Publications, subscriptions, memberships, etc.	30,285.44	39,633.38	24,401.67	15,231.71	73,205.00	33,571.62
Repairs and maintenance	(29,784.01)	14,416.99	64,400.00	(49,983.01)	193,200.00	178,783.01
Small equipment	16,297.51	40,439.58	29,166.67	11,272.91	87,500.00	47,060.42
Contingency	.00	.00	33,333.33	(33,333.33)	100,000.00	100,000.00
Emergency repairs	41,294.00	75,716.74	16,666.67	59,050.07	50,000.00	(25,716.74)
Business development	.00	.00	100,000.00	(100,000.00)	300,000.00	300,000.00
Bad debt expense	.00	13,414.54	.00	13,414.54	.00	(13,414.54)
<i>Operating expenses Totals</i>	\$894,072.86	\$3,867,626.55	\$5,019,826.33	(\$1,152,199.78)	\$14,390,679.00	\$10,523,052.45
<i>Depreciation</i>						
Depreciation	455,777.00	1,823,108.00	.00	1,823,108.00	.00	(1,823,108.00)
<i>Depreciation Totals</i>	\$455,777.00	\$1,823,108.00	\$0.00	\$1,823,108.00	\$0.00	(\$1,823,108.00)
Grand Totals						
REVENUE TOTALS	3,594,161.58	15,641,251.91	8,443,509.67	7,197,742.24	25,330,529.00	9,689,277.09
EXPENSE TOTALS	1,349,849.86	5,690,734.55	5,019,826.33	670,908.22	14,390,679.00	8,699,944.45
Grand Total Net Gain (Loss)	\$2,244,311.72	\$9,950,517.36	\$3,423,683.33	\$6,526,834.03	\$10,939,850.00	(\$989,332.64)

ASHEVILLE REGIONAL AIRPORT

Annual Operating Revenue by Month

October 2022



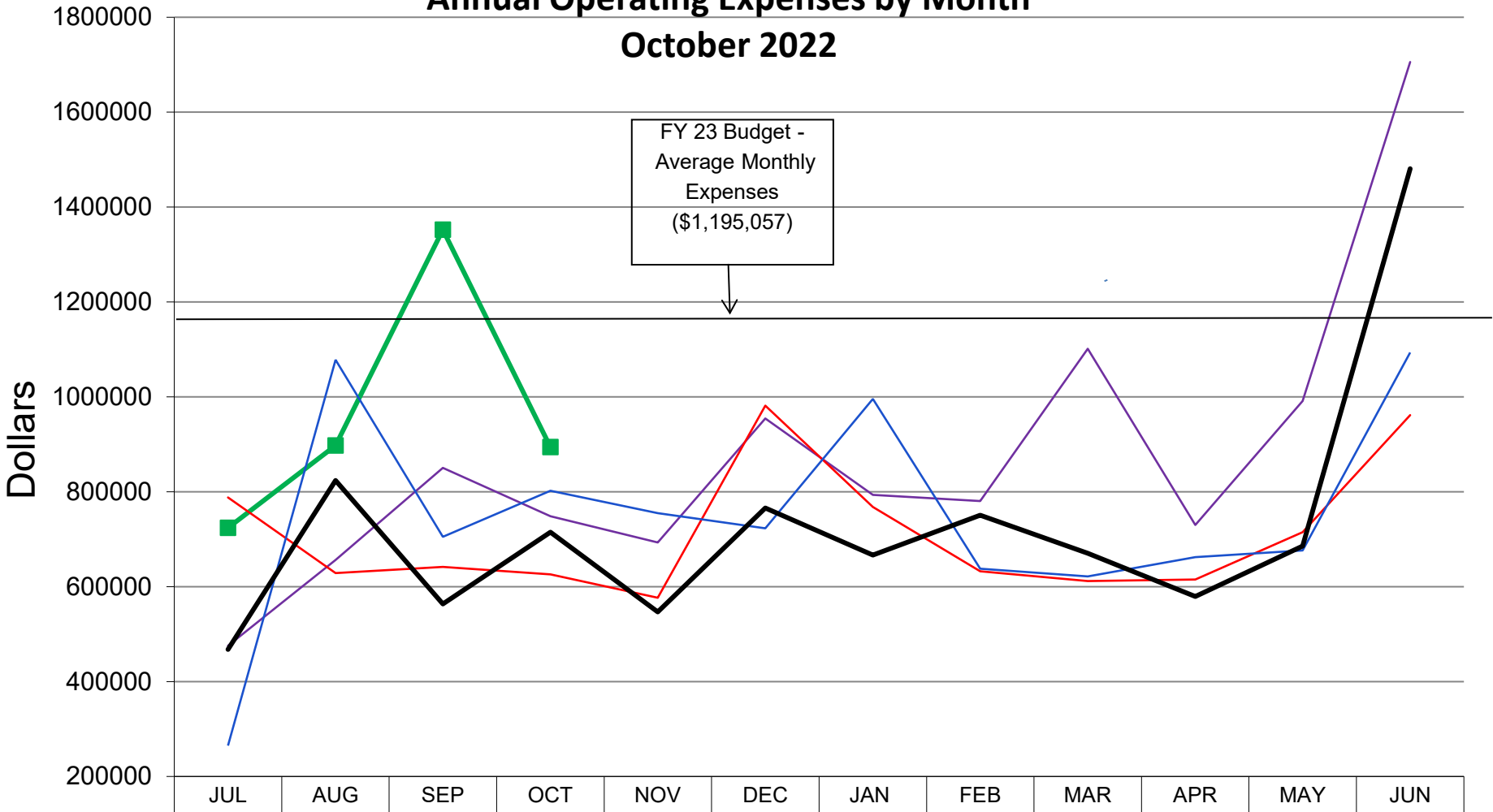
FY23 Budget - Average
Monthly Revenue
(\$1,692,128)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
■ 2023	2151973	2170060	1981276	2215944								
— 2022	1870783	1766994	1582459	1840835	1614185	1467415	1275749	1215598	1682310	1636179	1857453	2079519
— 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

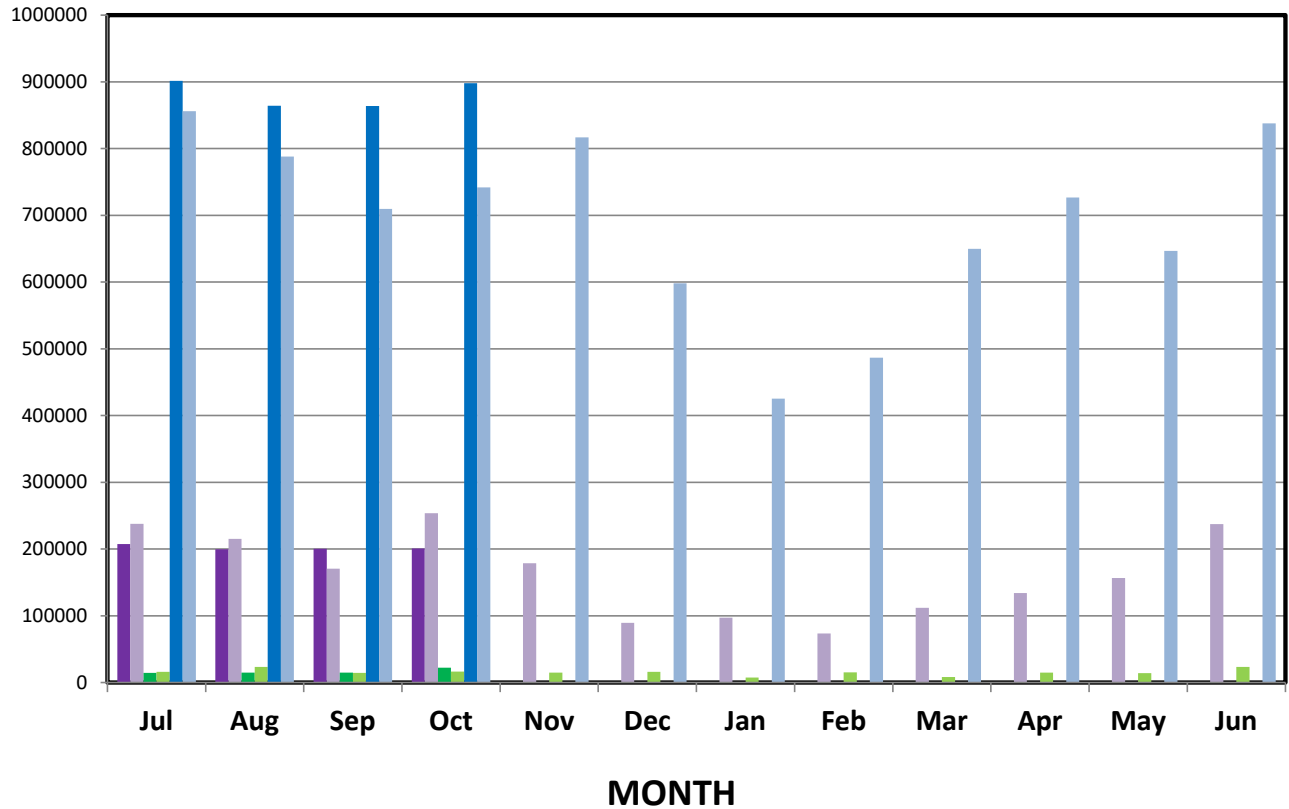
October 2022



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2023	723941	897398	1352214	894073								
2022	475489	656101	850419	748420	692984	954472	793428	780593	1101373	730109	991519	1705678
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 2022**

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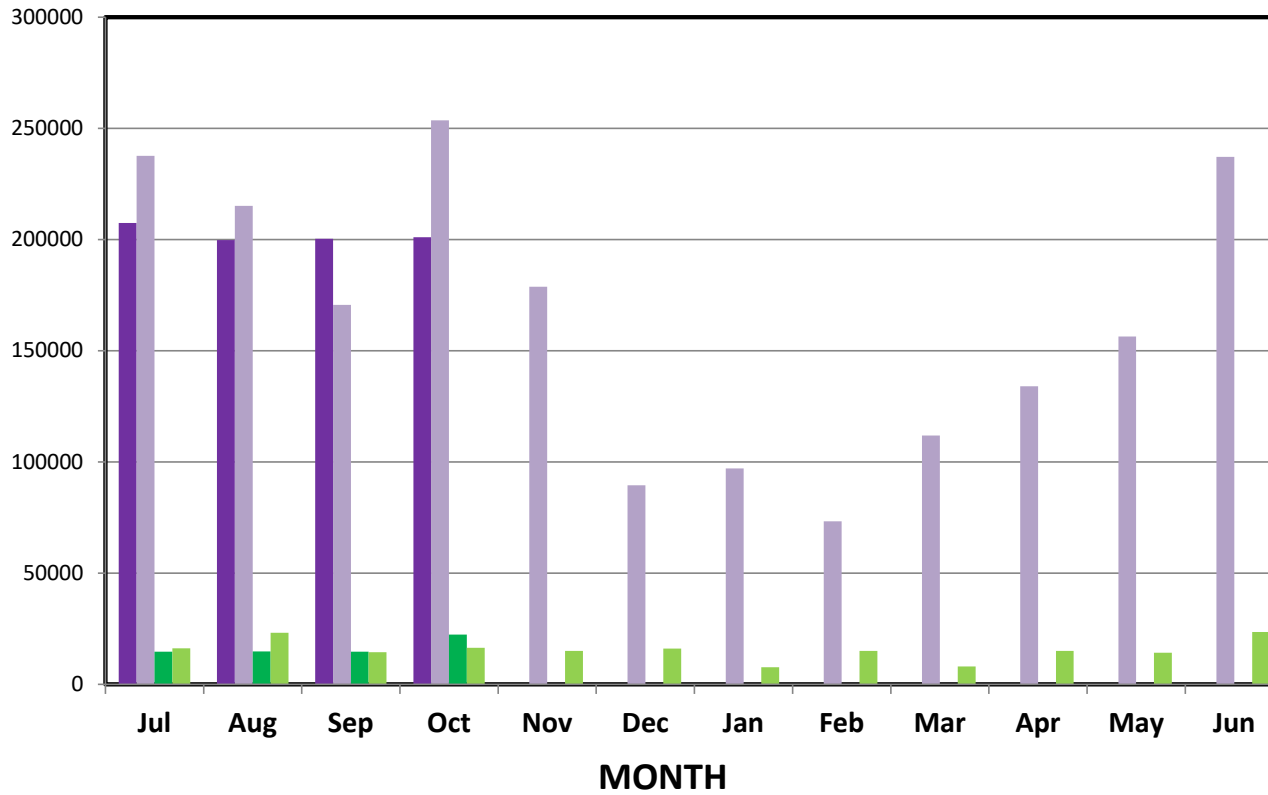


- Jet A FY23
- Jet A FY22
- 100LL - FY23
- 100LL - FY22
- Airlines - FY23
- Airline - FY22

Jet A - 199,762 Gallons
 100LL - 14,826 Gallons
 Airline - 864,304 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
October 2022**

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- Jet A - FY23
- Jet A - FY22
- 100LL - FY23
- 100LL - FY22

Jet A - 199,762 Gallons
100LL - 14,826 Gallons

Greater Asheville Regional Airport Authority
Construction Project Report - December 2022

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2022)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2022)	Start Date	End Date	Current Project Status (as of 12/01/2022)
1	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$7,232,602.00	8.3%	\$19,841,396	64.8%	\$12,863,996	Nov-19	Dec-24	CA services continues.
2	Terminal Building Renovations	CMR for Pre-Construction and CGMP1	Hensel Phelps	\$1,088,270.00	N/A	N/A	\$0.00	0.0%	\$1,088,270.00	100.0%	\$1,088,270	Dec-20	Dec-22	CMR Pre-Construction phase services are complete and will no longer be reported.
3	Terminal Building Renovations	Program Management Services	Parsons Transportation Group, Inc.	\$1,329,368.36	N/A	N/A	\$0.00	0.0%	\$1,329,368	19.3%	\$256,750	May-22	Dec-26	Project management in process.
4	Air Traffic Control Tower	Design new facility	Pond Company	\$4,157,923.00	N/A	N/A	\$661,133.00	15.9%	\$4,819,056	62.9%	\$2,614,804	Mar-21	Jun-24	Project management in process.
5	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	95.0%	\$23,737	Jun-21	Oct-22	Project management in process.
6	Rehabilitate South GA Apron	Design apron rehabilitation	Parrish and Partners	\$565,432.00	N/A	N/A	\$0.00	0.0%	\$565,432	73.8%	\$417,265	Jun-21	Dec-22	Project management in process.
7	Airport Master Plan	Update current Master Plan	CHA	\$989,004.00	N/A	N/A	\$0.00	0.0%	\$989,004	46.2%	\$458,838	Jul-21	May-23	Document preparation continues. Working Papers submitted to FAA for review.
8	Stormwater Drainage Improvements	Identify deficiencies and design stormwater improvements	AVCON	\$205,000.00	N/A	N/A	\$0.00	0.0%	\$205,000	75.8%	\$155,290	Jan-22	Jan-23	Project management in process.
Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2022)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2022)	Start Date	End Date	Current Project Status (as of 12/01/2022)
1	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	Dec-22	Landscaping has been installed.
2	Terminal Building Modernization - CMR Construction	CGMP-1 Utilities relocation \$6,215,900 CGMP-2 CEP and Equipment Purchase \$77,999,756	Gresham Smith	Amount in Design Fees	Hensel Phelps	\$84,215,656.00	\$0	0.00%	\$84,215,656.00	8.6%	\$7,266,934	Jan-22	Dec-24	Airfield Lighting Vault progressing. Central Energy Plant aggregate piers installed and continuing civil work.
3	Rehabilitate South GA Apron	Removal and replacement of pavement on South GA Apron	Parrish and Partners	Amount in Design Fees	Independence Excavating	\$6,746,800	\$0	0.00%	\$7,421,480	64.0%	\$4,313,599	May-22	Dec-22	Punch list items to be repaired. Haul road repairs under way to be completed by end of Nov.
4	Stormwater Improvements	Repair areas on property to drain efficiently	AVCON Inc.	Amount in Design Fees	Nassiri Development	\$772,980	\$0	0.00%	\$795,278.00	0.0%	\$0	Oct-22	Jan-23	Work schedule received and work to begin late Nov.
5	Air Traffic Control Tower	Construction of ATCT and Base Building Facility	Pond	Amount in Design Fees	J Kokolakis Contracting	\$44,344,052.00	\$0.00	0.00%	\$46,561,255.00	0%	\$0.00	Dec-22	Jun-24	Contract execution in process. Contractor to provide schedule and project team.
									*(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**: President & CEO Supervision