

comprehensive annual financial report

Columbus Regional Airport Authority
Columbus, Ohio
For the year ended December 31, 2011







Dave Yost • Auditor of State

Board of Trustees
Columbus Regional Airport Authority
4600 International Gateway
Columbus, Ohio 43219

We have reviewed the *Independent Auditors' Report* of the Columbus Regional Airport Authority, Franklin County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbus Regional Airport Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 31, 2012

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Comprehensive Annual Financial Report

For the
Columbus Regional Airport Authority
Columbus, Ohio

For the year ended December 31, 2011

Prepared by:
John E. Byrum, CPA - Inactive
Chief Financial Officer

Paul E. Streitenberger, CPA
Director, Accounting & Audit

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introductory section

This section contains
the following subsections:

Letter of Transmittal

Board of Directors

Organization Chart and
Senior Management

Certificate of Achievement



March 8, 2012

To the Board of Directors:

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the year ended December 31, 2011, is proudly prepared and presented by your Accounting/Finance Department and represents the Authority's staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the public we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the years ended December 31, 2011 and 2010, is presented in the Management's Discussion and Analysis (MD&A) found in the Financial Section.

This CAFR has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). It is our belief that the accompanying 2011 CAFR meets program standards, and it will be submitted to the GFOA for review.

Reporting Entity

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

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Fax: 614-239-4066

Rickenbacker International Airport
7161 Second Street
Columbus, Ohio 43217
Phone: 614-491-1401
Fax: 614-491-0662

Bolton Field Airport
2000 Norton Road
Columbus, Ohio 43228
Phone: 614-851-9900
Fax: 614-851-8959

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

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

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

Economic Conditions and Outlook

Recent economic conditions have presented many challenges for our community and have significantly impacted the aviation and logistics industries. Despite these challenges, we see signs of improving conditions with more travelers returning to the skies.

The financial condition of the Authority is primarily dependent upon the number of passengers using Port Columbus International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry which influences the airlines' willingness and ability to provide service; the local economy which influences the willingness and ability of consumers to purchase air travel; and the cost of air travel.

The economy of the Greater Columbus area, including Franklin County and the seven surrounding counties, has not encountered the same level of economic downturn as the state or the nation in 2011. The unemployment rate of 7.6% was below that of Ohio (8.8%) and the United States (8.9%). A balance among manufacturing, education and health services, technology, retail, research and financial activities has helped the Columbus economy to survive periods of slow growth. Unlike most other large U.S. cities, Columbus is not dependent upon one or two industries for its major economic strength and no single activity dominates the economy.

The diversity among Greater Columbus' top six employers – the State of Ohio, The Ohio State University, JP Morgan Chase & Co., Nationwide, OhioHealth and the City of Columbus – is representative of the local economy as a whole. The variety represented by these six employers, which together account for more than 96,000 jobs in Central Ohio, assures that the local economy can withstand some economic slowdowns.

Port Columbus serves 33 airports with 141 daily departures by nine airlines. In 2011, the Authority served over 6.3 million passengers, up 0.2% from the previous year. Additional data can be found in the Statistical Section of this CAFR.

Meanwhile, 146.2 million pounds of cargo moved through Rickenbacker in 2011 as compared to 153.8 million pounds in 2010. In 2011, 14,880 passengers used the Rickenbacker Charter Terminal as compared to 10,587 in 2010.

Initiatives and Development

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

In December of 2009, the Federal Aviation Administration (FAA) announced a letter of intent to provide over \$87.8 million toward the cost of replacing the south runway at Port Columbus International Airport. The replacement of the south runway will enable greater airport capacity by allowing for an increased number of aircraft operations and creating space for a future second terminal.

In 2005, a partnership between the Authority and Norfolk Southern Corporation was established to develop the Rickenbacker Intermodal Terminal. Opened in March 2008, the train-truck intermodal terminal and the surrounding Rickenbacker Global Logistics Park development are expected to create an estimated 20,000 jobs and have an economic impact of more than \$15 billion over the next 30 years. The terminal also is expected to reduce the overall transportation cost for domestic and international shippers and solidify the area's status as a premier midwest distribution hub. On September 9, 2010, the Heartland Corridor was officially opened. The Corridor connects the Rickenbacker Intermodal Terminal with ocean terminals in Virginia and creates a high speed, high capacity, double stack container route linking the Virginia ports with major markets in Columbus and the Midwest. The Heartland Corridor eliminates 230 miles from Norfolk Southern's other routes, saving up to 43 hours on westbound shipments.

In conjunction with the development of the intermodal terminal, the Authority formed a partnership with Duke Realty Corporation and Capitol Square, Ltd. (DRCS, LLC) to develop the Rickenbacker Global Logistics Park. The Global Logistics Park encompasses 1,576 acres of prime, industrial land surrounding the new intermodal terminal and will eventually include over 28 million square feet of development. The partnership did not sell a building in 2011 but in 2010, the partnership sold a building previously leased to Kraft Global Foods, Inc. Since the signing of the agreement, the partnership has developed, leased and sold over \$10.1 million of buildings and land.

Authority's Internet Web Page

The Authority has an Internet website offering a wide array of information to users, including financial information and operational statistics. Users can obtain direct access to the airlines serving the airports and obtain flight arrival and departure information. The Authority's CAFR is posted on the website. The Web address is ColumbusAirports.com.

Internal Control Framework

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

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

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

Budgetary Controls and Policies

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

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

Activity Highlights

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

	2011	2010	% Change
Airline Cost	\$ 24,470,584	\$ 24,566,445	-0.4
Enplanements	3,189,938	3,183,792	0.2
Cost Per Enplaned Passenger	\$ 7.67	\$ 7.72	-0.6

Throughout its existence the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers and visitors to the Airport. It also has diligently controlled the costs passed on to its family of airlines. Airline cost per enplaned passenger (Cost/EP) – the standard employed by the air carriers to determine the relative cost of operating at an airport – is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. For 2011 and 2010, the airline Cost/EP at Port Columbus International Airport has remained competitive at \$7.67 and \$7.72 respectively. These Cost/EPs continue to compare favorably with other medium hub airports, further reinforcing Port Columbus' reputation as a cost effective, airline-friendly facility.

Independent Audit

The Authority's independent auditing firm, Clark, Schaefer, Hackett & Co., has rendered an unqualified opinion that the Authority's financial statements for December 31, 2011 and 2010, and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Clark, Schaefer, Hackett & Co. met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1996 and related Office of Management and Budget Circular A-133. The independent auditors' reports issued based upon work performed in accordance with those requirements noted no instances of noncompliance by the Authority with any applicable state or federal laws or regulations or other matters that are required to be reported for the fiscal year ending December 31, 2011. A copy of the report can be found in the Compliance Section of this CAFR.

Certificate of Achievement

I am most proud to report that the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the year ended December 31, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

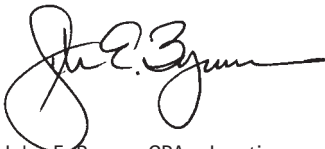
A Certificate of Achievement is valid for a period of one year only. The Authority has received this prestigious award for the last nineteen consecutive years, ended December 31, 2010. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The publication of this CAFR is a reflection of the level of excellence and professionalism the Authority's entire staff has attained. I wish to express my appreciation specifically to all members of the Accounting/Finance Department, who contributed not only to the preparation of this CAFR, but also to the accomplishments that I am privileged to report.

I would like to thank the Board of Directors and the President & CEO, Elaine Roberts, for their guidance and support provided in the planning and conducting of the financial operations of the Authority. Your direction and counsel have helped to ensure that the Columbus Regional Airport Authority will remain a model of excellence for airports throughout the world.

Respectfully submitted,



John E. Byrum, CPA - Inactive
Chief Financial Officer

Board of Directors



Dwight E. Smith



Susan Tomasky



Don M. Casto, III

Chair

Dwight E. Smith
President/CEO
Sophisticated Systems, Inc.

Vice Chair

Susan Tomasky
President - Retired
AEP Transmission
American Electric Power



Frank J. Cipriano



William R. Heifner



John W. Kessler

Directors

Don M. Casto, III
President/Owner
CASTO

Frank J. Cipriano
Chief Executive Officer
Land Network

William R. Heifner
President
Renier Construction

John W. Kessler
Chairman
The New Albany Company



Wm. J. Lhota, P.E.



Jordan A. Miller, Jr.



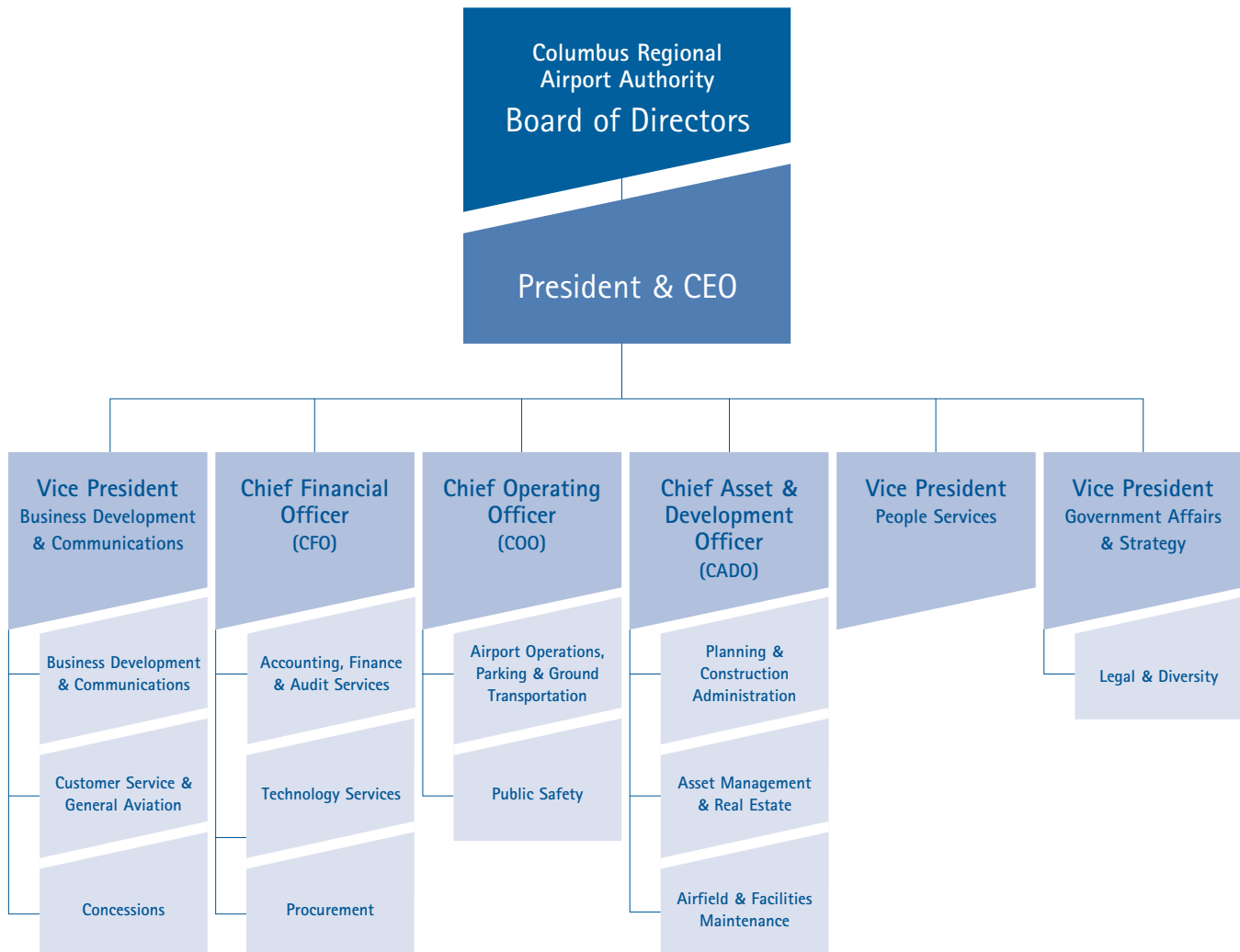
Kathleen H. Ransier, Esq.

Wm. J. Lhota, P.E.
President & CEO - Retired
Central Ohio Transit Authority

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

Kathleen H. Ransier, Esq.
Partner
Vorys, Sater, Seymour & Pease

Organization Chart and Senior Management



Senior Management

Elaine Roberts, A.A.E.

Rod C. Borden, Esq. A.A.E.

T. Randal Bush, CPFM, CIA, CPA

John E. Byrum, CPA – Inactive

Dennis E. Finch

Charles J. Goodwin, A.A.E.

Robin V. Holderman

James W. Lizotte, PMP

Robin F. Patrick

John M. Rockwell

Brian J. Sarkis

William L. Shelby

Paul E. Streitenberger, CPA

David V. Whitaker

President & Chief Executive Officer

Senior Vice President & Chief Operating Officer

Director, Finance & Administration

Chief Financial Officer

Director, Asset Management

Director, Airport Operations

Chief Asset & Development Officer

Director, Technology Services

Vice President, People Services

Director, Public Safety

Senior Director, Planning & Construction Administration

Vice President, Asset Management

Director, Accounting & Audit

Vice President, Business Development & Communications

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbus Regional Airport Authority, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Janson

President

Jeffrey R. Egan

Executive Director

financial section

This section contains
the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Supplemental Schedule of Revenues and
Expenses - Budget vs. Actual - Budget Basis

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Columbus Regional Airport Authority
Columbus, Ohio:

We have audited the accompanying statements of net assets of the Columbus Regional Airport Authority (the "Authority") as of the years ended December 31, 2011 and 2010, and the related statements of revenues, expenses, and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2011 and 2010, and its changes in financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2012 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

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 supplemental schedule of revenues and expenses – budget vs. actual – budget basis is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
March 8, 2012

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the Columbus Regional Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2011 and 2010. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

Overview of the Financial Statements

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

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

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

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

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

In addition to the basic financial statements and accompanying notes, this report also presents the *Supplemental Schedule of Revenues and Expenses – Budget vs. Actual – Budget Basis*.

In 2001, the County of Franklin, Ohio (the County) Board of Commissioners approached the Mayor and officials of the City of Columbus, Ohio (the City) with the idea of creating one port authority to oversee the airports managed by the Columbus Municipal Airport Authority (CMAA) and the Rickenbacker Port Authority (RPA). The County and the City formed a committee, the Regional Port Authority Study Committee, that evaluated and concluded that there was the potential for achieving cost savings, operational efficiencies and other intangible synergies by creating a single regional airport authority

to oversee the operations of Port Columbus International (CMH), Rickenbacker International (LCK) and Bolton Field (TZR) airports. On December 12, 2002, the County, the City and the CMAA entered into the Port Authority Consolidation and Joinder Agreement (the Agreement) with an effective date of January 1, 2003. Under the Agreement the RPA was dissolved and the CMAA, the surviving entity, was renamed the Columbus Regional Airport Authority (the Authority). The assets of the RPA were recorded on the Authority's records at net book value. Additional information may be found in Note 1 of the accompanying notes.

Significant Events

Commercial Paper Notes

On September 6, 2007, the Authority entered into a seven year agreement to issue a not-to-exceed amount of \$75 million of Commercial Paper Notes that was collateralized by a letter of credit issued by Credit Agricole Corporate & Investment Bank (formerly Calyon New York Branch). Due to the continuing general economic and financial conditions, and specifically the European sovereign debt crisis, the Authority in February 2012 retired all outstanding commercial paper notes and terminated its commercial paper program.

Rating Agency Upgrades

During 2011, Standard & Poor's Rating Services raised its rating on Columbus Regional Airport Authority's senior airport revenue bonds outstanding to "A+" from "A". Fitch Ratings affirmed its "A" rating on the Authority's outstanding airport revenue bonds and upgraded its outlook to "Positive" from "Stable". The rating services cited the Authority's ability to maintain a very strong financial profile through economic cycles as evidenced by a low debt burden, strong cash reserves and stable airline costs.

Technology Infrastructure Improvements

The Authority completed significant Technology Infrastructure Improvements during the year including expansion and upgrades to a core data network, storage capacity, network servers and infrastructure monitoring and alerting capabilities. Improvements were also completed to our network bandwidth and to the bandwidth responsiveness for our internal employees and the traveling public. Finally, improvements were made to voice and data cabling infrastructure and a new VoIP phone system was installed at both Port Columbus and Rickenbacker airports.

Financial Highlights

The Authority's financial position remains sound as evidenced by our continued growth in net assets and the reduction in outstanding debt as well as our continued strong liquidity position.

A summary of the Authority's financial highlights for the year 2011 is as follows:

The Authority's Total Assets increased \$31.2 million over 2010. The increase is the result of increases in capital acquisition and construction of capital projects. Current Assets (Unrestricted and Restricted) decreased \$24.4 million primarily due to the decrease in grants receivable as a result of the completion of grant related projects. Non Current Assets (Unrestricted and Restricted) increased \$55.6 million primarily due to increased investments in Capital Assets.

Total Liabilities decreased \$7.5 million from 2010. The decrease was due primarily to the reduction in Accounts Payable - Trade.

Total Operating Revenues increased \$3.2 million over 2010. The increase is primarily a result of higher revenue received from parking and concession operations.

Total Operating Expenses increased \$3.7 million over 2010. The increase is primarily the result of increases associated with purchased services.

A summary of the Authority's financial highlights for the year 2010 is as follows:

The Authority's Total Assets increased \$19.3 million over 2009. The increase was the result of increases in capital acquisition and construction of capital projects and grants receivable. Current Assets (Unrestricted and Restricted) increased \$5.3 million primarily due to the increase in grants receivable as a result of an increase in grant related projects. Non Current Assets (Unrestricted and Restricted) increased \$14.0 million primarily due to more investments in Passenger Facility and Rental Car Facility funds.

Total Liabilities decreased \$11.7 million from 2009. The decrease was due primarily to the reduction in Commercial Paper Notes and long-term debt offset by an increase in Accounts Payable - Trade.

Total Operating Revenues increased \$1.1 million over 2009. The increase was primarily a result of higher revenue received from parking and concession operations.

Total Operating Expenses increased \$2.5 million over 2009. The increase was primarily the result of increases associated with employee wages & benefits.

Financial Position

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

	Dollars in 000's			% Change	
	2011	2010	2009	2011	2010
Assets					
Current Assets – Unrestricted	\$ 43,988	\$ 49,528	\$ 56,486	-11.2	-12.3
Current Assets – Restricted	28,352	47,210	34,969	-39.9	35.0
Capital Assets	689,527	632,978	626,916	8.9	1.0
Other Non Current Assets – Unrestricted	65,034	65,428	53,918	-0.6	21.3
Other Non Current Assets – Restricted	-	508	4,067	-100.0	-87.5
Total Assets	\$ 826,901	\$ 795,652	\$ 776,356	3.9	2.5
Liabilities					
Current Liabilities – Unrestricted	\$ 21,215	\$ 27,641	\$ 14,985	-23.2	84.5
Current Liabilities – Restricted	13,069	9,848	26,334	32.7	-62.6
Long-Term Liabilities	104,567	108,853	116,747	-3.9	-6.8
Total Liabilities	138,851	146,342	158,066	-5.1	-7.4
Net Assets					
Invested in Capital Assets, Net of Related Debt	593,782	533,246	505,509	11.4	5.5
Restricted Net Assets	24,336	46,742	37,997	-47.9	23.0
Unrestricted Net Assets	69,932	69,322	74,784	0.1	-7.3
Total Net Assets	688,050	649,310	618,290	6.0	5.0
Total Liabilities and Net Assets	\$ 826,901	\$ 795,652	\$ 776,356	3.9	2.5

An analysis of significant changes in assets, liabilities and net assets for the year 2011 is as follows:

The Authority's assets exceeded liabilities by \$688.1 million, a \$38.7 million increase over December 31, 2010. The largest portion of the Authority's net assets each year (\$593.8 million or 86% at December 31, 2011) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net assets (\$24.3 million or 4% at December 31, 2011) represents resources that are subject to restrictions on how they can be used. The restricted net assets are not available for new spending because they have already been committed as follows:

Bond Reserves	<u>\$ 24,336,010</u>
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The remaining unrestricted net assets of \$69.9 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

An analysis of significant changes in assets, liabilities and net assets for the year 2010 is as follows:

The Authority's assets exceeded liabilities by \$649.3 million, a \$31.0 million increase over December 31, 2009. The largest portion of the Authority's net assets each year (\$533.2 million or 82% at December 31, 2010) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net assets (\$46.7 million or 7% at December 31, 2010) represents resources that are subject to restrictions on how they can be used. The restricted net assets are not available for new spending because they have already been committed as follows:

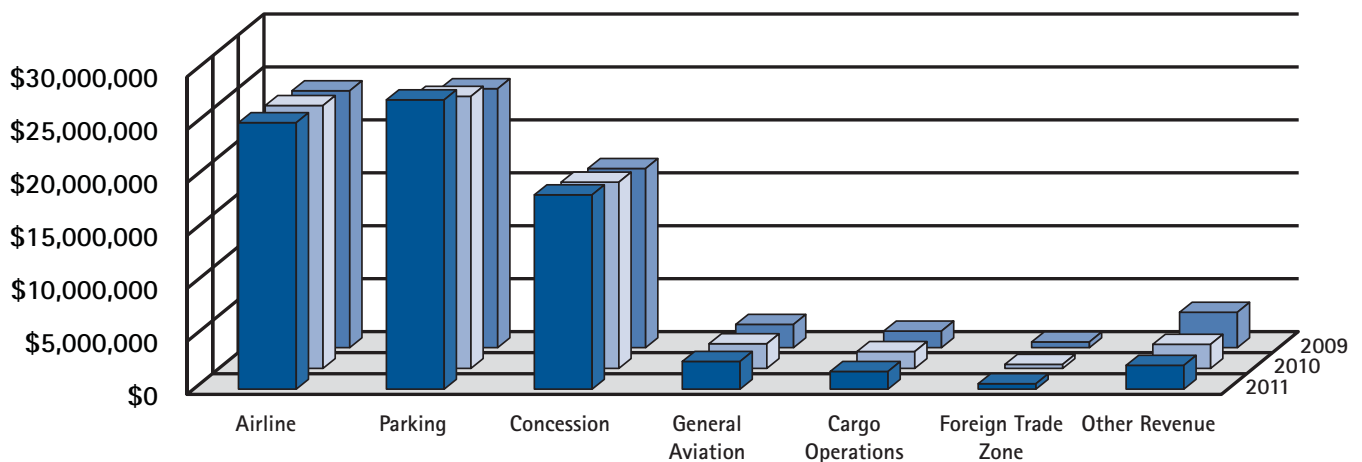
Passenger Facility Charges	\$ 23,387,007
Bond Reserves	23,355,235
Total Restricted	<u>\$ 46,742,242</u>

The remaining unrestricted net assets of \$69.3 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

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

	Dollars in 000's			% Change	
	2011	2010	2009	2011	2010
Airline Revenue	\$ 25,085	\$ 24,783	\$ 24,204	1.2	2.4
Parking Revenue	27,188	25,395	24,391	7.1	4.1
Concession Revenue	18,276	17,486	16,897	4.5	3.5
General Aviation Revenue	2,602	2,304	2,256	12.9	2.1
Cargo Operations Revenue	1,648	1,614	1,582	2.1	2.0
Foreign Trade Zone Fees	382	378	440	1.1	-14.1
Other Revenue	2,268	2,255	3,307	0.6	-31.8
Total Operating Revenues	\$ 77,449	\$ 74,215	\$ 73,077	4.4	1.6

Revenues



An analysis of significant changes in revenues for the year 2011 is as follows:

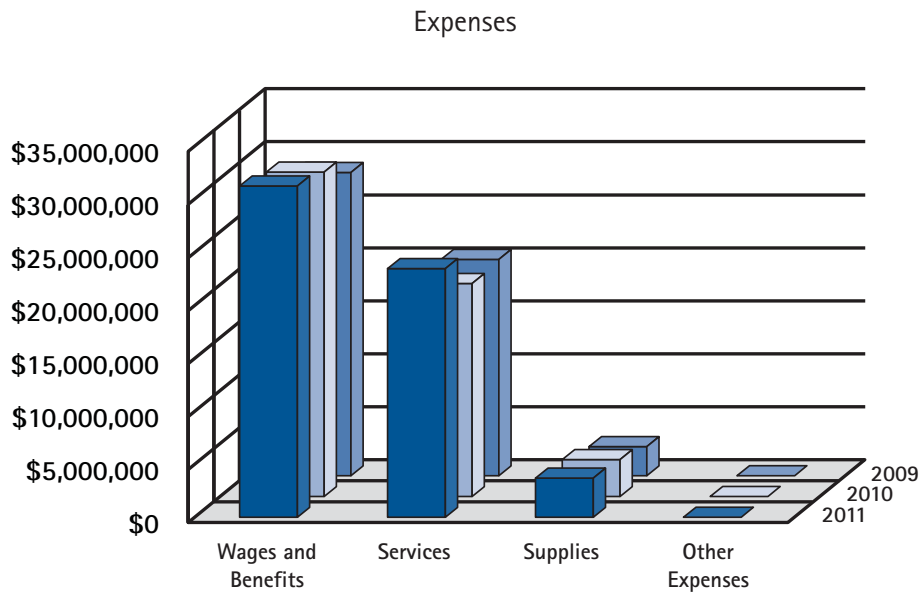
- Parking Revenue increased 7% or \$1.8 million. The increase is due to an increase in the length of stay for parkers over the prior year.

An analysis of significant changes in revenues for the year 2010 is as follows:

- Parking Revenue increased 4% or \$1.0 million. The increase is due to an increase in the length of stay for parkers over the prior year.
- Other Revenue decreased 32% or \$1.1 million. The decrease is primarily due to less revenue from jet bridge usage fees due to a change in methodology as required in the airline agreement.

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

	Dollars in 000's			% Change	
	2011	2010	2009	2011	2010
Employee Wages and Benefits	\$ 30,680	\$ 30,252	\$ 28,267	1.4	7.0
Purchase of Services	23,128	19,829	20,198	16.6	-1.8
Materials and Supplies	3,599	3,567	2,745	0.9	29.9
Other Expenses	61	71	6	-14.1	1,083.3
Total Operating Expenses	\$ 57,468	\$ 53,719	\$ 51,216	7.0	4.9



An analysis of significant changes in expenses for the year 2011 is as follows:

- Purchase of Services increased 17% or \$3.3 million as a result of professional fees associated with information technology infrastructure improvements and real estate development opportunities. In addition, maintenance costs of \$560,000 associated with the new in-line baggage system were incurred for the first time during 2011.

An analysis of significant changes in expenses for the year 2010 is as follows:

- Employee Wages and Benefits increased 7% or \$2.0 million primarily as a result of an increase in salaries of 5% or \$882,000, an increase in health insurance of 18% or \$659,000, an increase in the retirement benefits of 6% or \$280,000 and an increase in the accrual for paid time off of \$227,000.
- Materials and Supplies increased 30% or \$822,000 as a result of an increase in tools and equipment purchases of 79% or \$270,000, snow removal supplies of 39% or \$242,000 and building maintenance supplies of 26% or \$138,000.

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

	Dollars in 000's			% Change	
	2011	2010	2009	2011	2010
Total Operating Revenues	\$ 77,449	\$ 74,215	\$ 73,077	4.4	1.6
Total Operating Expenses	-57,468	-53,719	-51,216	7.0	4.9
Operating Income before Depreciation	19,981	20,496	21,861	-2.5	-6.2
Depreciation	-33,777	-32,260	-29,199	4.7	10.5
Operating Income (Loss)	-13,796	-11,764	-7,338	17.3	60.3
Net Investment Income	822	1,130	1,121	-27.3	0.8
Passenger Facility Charges	13,059	13,332	12,584	-2.0	5.9
Rental Car Facility Charges	5,615	5,011	4,457	12.1	12.4
Interest Expense	-4,136	-4,425	-4,704	-6.5	-5.9
Other Non-Operating Revenues	2,900	4,785	4,961	-39.4	-3.5
Income before Capital Contribution	4,464	8,069	11,081	-44.7	-27.2
Capital Contributions	34,276	22,951	10,720	49.3	114.1
Increase in Net Assets	38,740	31,020	21,801	24.9	42.3
Net Assets, Beginning of Year	649,310	618,290	596,489	5.0	3.7
Net Assets, End of Year	\$ 688,050	\$ 649,310	\$ 618,290	6.0	5.0

An analysis of significant changes in net assets for the year 2011 is as follows:

- Capital Contributions from federal and state funding sources increased by 49% or \$11.3 million related to the runway 10R-28L replacement, purchase and construction of a new In-line Baggage Handling System.
- Rental Car Facility Charges increased 12% or \$604,000 as a result of rate increases effective June 1, 2011.

An analysis of significant changes in net assets for the year 2010 is as follows:

- Depreciation expense increased 11% or \$3.1 million due to an increase in depreciable assets.
- Passenger Facility Charges increased 6% or \$748,000 as a result of an increase in enplaned passengers.

Capital Assets

The Authority's capital assets as of December 31, 2011, totaled \$689.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings & building improvements, runways, taxiways & roads, construction in progress, furniture and machinery & equipment. The total increase in the Authority's investment in capital assets before accumulated depreciation for 2011 was 9.1% or \$89.8 million.

Runway 10R-28L Replacement – CMH	\$ 42,766,000
In-Line Baggage Screening System – CMH	21,077,000
Rickenbacker Parkway Improvements - LCK	5,543,000
Northwest Airfield Development – CMH	5,027,000
Technology Infrastructure Improvements	1,925,000

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

Debt Administration

On February 1, 1998, the CMAA issued Airport Improvement Revenue Bonds, Series 1998AB in the principal amount of \$87,290,000, in varying maturities up to thirty years. On April 12, 2007, a partial refunding occurred for the bonds with a par value of \$61,965,000 with proceeds from the Airport Improvement Revenue Bonds, Series 2007. The remaining bonds are due at maturity or through sinking fund redemption requirements through January 1, 2013, and have annual principal payment amounts from \$2,595,000 to \$2,730,000.

The balance outstanding as of December 31, 2011, was \$5,325,000.

On October 28, 2003, the Authority issued Airport Refunding Revenue Bonds, Series 2003AB in the principal amount of \$33,445,000, in varying maturities up to twenty years. The bond proceeds were used primarily to refund the Authority's Series 1994A bonds. The bonds have annual principal payment amounts from \$1,370,000 to \$2,475,000.

The balance outstanding as of December 31, 2011, was \$24,630,000.

On April 12, 2007, the Authority issued Airport Refunding Revenue Bonds, Series 2007 in the principal amount of \$59,750,000, in varying maturities up to twenty years. The bond proceeds were used primarily to refund a portion of the Authority's Series 1998B bonds. Starting in 2014, the bonds have annual principal payment amounts from \$2,805,000 to \$5,475,000.

The balance outstanding as of December 31, 2011, was \$59,750,000.

In 1995, the RPA agreed to reimburse the County for debt service on \$1,489,000 of an Ohio Public Works Commission loan for storm sewer improvements. The agreement is non-interest bearing.

The balance outstanding as of December 31, 2011, was \$223,350.

Bond principal and interest are paid from the general revenues of the Authority. Additional details may be found in Note 9 of the accompanying notes.

Passenger Facility Charge (PFC)

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of \$3.00 per enplaned passenger. In January 2002, the FAA approved the Authority's request to increase the PFC level to \$4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. In 2007, the Authority received approval to collect on its application effective December 26, 2007, in the amount of \$71.1 million. This brings the total approved collectible amount to \$278 million, which is projected to be collected through April 1, 2013. The newest application, which was approved on January 28, 2011, adds an additional \$185 million to the collectible amount and will extend the collection date to February 1, 2024. Through December 31, 2011, the Authority has collected PFCs, including interest earnings thereon, totaling \$235 million.

Airline Rates and Charges

The Authority and certain airlines negotiated an agreement effective from January 1, 2005, through December 31, 2009, which in part establishes how the airlines that sign the agreement (signatory airlines) will be assessed annual rates and charges for their use of CMH. An extension of this agreement has been successfully negotiated with similar terms for January 1, 2010, through December 31, 2014. Landing fees and terminal rental rates for non-signatory airlines are assessed at 150 percent of the signatory rates.

	2011	2010	2009	% Change	
				2011	2010
Landing Fees (per 1,000 lbs)	\$ 2.90	\$ 3.74	\$ 3.40	-22.5	10.0
Terminal Rental Rate (Average)	\$ 63.78	\$ 51.57	\$ 49.39	23.7	4.4
Apron Fee – Square Foot Rate Component	\$ 1.58	\$ 1.21	\$ 1.18	30.6	2.5
Apron Fee – Landed Weight Rate Component (per 1,000 lbs)	\$ 0.33	\$ 0.25	\$ 0.26	32.0	-3.8

The Authority also charges a signatory landing fee to airlines for their use of LCK. Landing fees for non-signatory airlines are assessed at 125 percent of the signatory rate. LCK landing fees were as follows:

	2011	2010	2009	% Change	
				2011	2010
Landing Fees (per 1,000 lbs)	\$ 2.02	\$ 1.92	\$ 1.83	5.2	4.9

Request For Information

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

Statements of Net Assets
As of December 31, 2011 and 2010

	2011	2010
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 23,387,567	\$ 22,178,165
Other Investments	3,262,215	6,090,371
Accounts Receivable - Trade, Net	13,583,010	16,047,629
Accounts Receivable - Other	1,642,684	2,278,130
Interest Receivable	152,921	192,346
Direct Financing Leases Receivable	-	368,103
Deposits, Prepaid Items and Other	1,959,874	2,372,823
Total Unrestricted Assets	43,988,271	49,527,567
Restricted Assets:		
Cash and Cash Equivalents	28,352,226	30,044,471
Other Investments	-	17,165,547
Total Restricted Assets	28,352,226	47,210,018
Total Current Assets	72,340,497	96,737,585
Non-Current Assets:		
Unrestricted Assets:		
Other Investments	52,848,482	58,029,315
Deferred Charges (Net of Accumulated Amortization of \$3,476,131 in 2011 and \$3,264,668 in 2010)	11,927,229	7,138,691
Accounts Receivable - Other	257,981	259,582
Land	103,732,926	102,037,763
Construction In Progress	63,311,453	36,510,240
Depreciable Capital Assets, Net of Accumulated Depreciation	522,482,130	494,430,234
Total Unrestricted Non-Current Assets	754,560,201	698,405,825
Restricted Assets:		
Other Investments	-	508,200
Total Non-Current Assets	754,560,201	698,914,025
TOTAL ASSETS	\$ 826,900,698	\$ 795,651,610

See accompanying notes to the financial statements

Statements of Net Assets (Continued)

As of December 31, 2011 and 2010

	2011	2010
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable - Trade	\$ 6,281,248	\$ 13,886,168
Accrued Interest Payable	2,194,847	2,285,459
Accrued and Withheld Employee Benefits	3,848,037	3,881,404
Unearned Income	1,698,495	579,854
Other Accrued Expenses	7,192,482	7,007,608
Total Payable from Unrestricted Assets	21,215,109	27,640,493
Payable from Restricted Assets:		
Retainages on Construction Contracts	3,510,134	558,793
Customer Deposits and Other	506,082	417,183
Current Portion of Long-Term Debt	4,052,225	3,872,225
Commercial Paper Notes	5,000,000	5,000,000
Total Payable from Restricted Assets	13,068,441	9,848,201
Total Current Liabilities	34,283,550	37,488,694
Non-Current Liabilities:		
Compensated Absences	1,535,529	1,362,481
Unearned Income	16,338,953	16,629,958
Long-Term Debt, Less Current Portion, Net	86,692,182	90,860,254
Total Non-Current Liabilities	104,566,664	108,852,693
Total Liabilities	138,850,214	146,341,387
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	593,782,102	533,245,758
Restricted:		
Passenger Facility Charges	-	23,387,007
Bond Reserves	24,336,010	23,355,235
Total Restricted Net Assets	24,336,010	46,742,242
Unrestricted Net Assets	69,932,372	69,322,223
TOTAL NET ASSETS	688,050,484	649,310,223
TOTAL LIABILITIES AND NET ASSETS	\$ 826,900,698	\$ 795,651,610

See accompanying notes to the financial statements

Statements of Revenues, Expenses, and Changes in Net Assets

For the Years Ended December 31, 2011 and 2010

	2011	2010
Operating Revenues		
Airline Revenue	\$ 25,085,134	\$ 24,782,619
Parking Revenue	27,188,469	25,395,076
Concession Revenue	18,276,155	17,485,977
General Aviation Revenue	2,602,259	2,304,117
Cargo Operations Revenue	1,647,432	1,614,434
Foreign Trade Zone Fees	382,363	378,000
Other Revenue	2,267,808	2,254,615
Total Operating Revenues	77,449,620	74,214,838
Operating Expenses		
Employee Wages and Benefits	30,680,294	30,251,958
Purchase of Services	23,128,112	19,828,850
Materials and Supplies	3,598,917	3,567,054
Other Expenses	60,939	71,105
Total Operating Expenses	57,468,262	53,718,967
Operating Income Before Depreciation	19,981,358	20,495,871
Less: Depreciation	33,777,375	32,259,877
Operating Loss	(13,796,017)	(11,764,006)
Non-Operating Revenues (Expenses)		
Investment Income	804,334	1,243,752
Other Non-Operating Revenues	5,353,864	5,457,746
Passenger Facility Charges	13,059,303	13,332,161
Rental Car Facility Charges	5,614,530	5,010,940
Interest Expense	(4,135,651)	(4,424,964)
Gain (Loss) on Securities	17,633	(114,141)
Amortization of Deferred Charges	(358,808)	(370,235)
Gain (Loss) on Disposal of Assets	(2,095,064)	(302,466)
Total Non-Operating Revenues	18,260,141	19,832,793
Income Before Capital Contributions	4,464,124	8,068,787
Capital Contributions	34,276,137	22,951,405
Changes In Net Assets		
Increase in Net Assets	38,740,261	31,020,192
Total Net Assets, Beginning of Year	649,310,223	618,290,031
Total Net Assets, End of Year	\$ 688,050,484	\$ 649,310,223

See accompanying notes to the financial statements

Statements of Cash Flows

For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 80,919,389	\$ 66,725,005
Cash Paid to Employees	(30,540,613)	(29,405,400)
Cash Paid to Suppliers	(33,645,227)	(11,115,384)
Other Payments	(60,939)	(71,105)
Net Cash Provided by Operating Activities	16,672,610	26,133,116
Cash Flows from Noncapital Financing Activities		
Proceeds from Federally Funded Operating Grants	5,353,864	5,457,746
Net Cash Provided by Noncapital Financing Activities	5,353,864	5,457,746
Cash Flows from Capital And Related Financing Activities		
Purchases of Property, Plant and Equipment	(89,708,075)	(41,740,898)
Contributed Capital, Passenger Facility Charges & Rental Car Facility Charges	52,949,970	41,294,506
Net Payments for Commercial Paper	-	(16,500,000)
Decrease in Future Rents from Rickenbacker Global Logistics Park for Sale of Building	-	(2,326,837)
Interest Paid on Bonds, Notes and Loan	(4,490,180)	(4,764,840)
Principal Payments on Bonds, Notes and Loan	(3,909,450)	(5,099,217)
(Reimbursements) Receipts for Projects with Advanced Funded Grants	1,110,349	(481,107)
Principal Payments from Direct Financing Leases	-	203,860
Proceeds from the Sale of Capital Assets	47,045	2,843,591
Payments for Tenant Improvement Allowances	(5,000,000)	-
Effective Interest on Direct Financing Leases	-	112,268
Reductions in Tenant Promotional Program	-	(29,824)
Decrease in Discounted Future Rents from Golf Course	(59,381)	(65,255)
Increase (Decrease) in Capital Credits	6,277	(266)
Net Cash Used by Capital and Related Financing Activities	(49,053,445)	(26,554,019)
Cash Flows from Investing Activities		
Purchase of Investments	(79,740,197)	(68,193,408)
Proceeds from the Sale of Investments	105,422,933	59,401,375
Interest Received on Cash and Investments	861,392	1,191,357
Net Cash Provided (Used) by Investing Activities	26,544,128	(7,600,676)
Net Decrease in Cash and Cash Equivalents	(482,843)	(2,563,833)
Cash and Cash Equivalents, Beginning of Year	52,222,636	54,786,469
Cash and Cash Equivalents, End of Year	\$ 51,739,793	\$ 52,222,636
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	(13,796,017)	(11,764,006)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	33,777,375	32,259,877
(Increase) Decrease in Assets:		
Accounts Receivable-Trade	2,464,619	(6,453,923)
Accounts Receivable-Other	1,005,150	(1,035,910)
Deposits, Prepaid Items and Other	412,949	(160,366)
Increase (Decrease) in Liabilities:		
Accounts Payable	(7,604,920)	9,690,883
Accrued Liabilities	324,555	3,611,914
Customer Deposits	88,899	(15,353)
Net Cash Provided by Operating Activities	\$ 16,672,610	\$ 26,133,116

See accompanying notes to the financial statements

Notes to Financial Statements

December 31, 2011

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

Note 1 - Organization and Reporting Entity

Organization

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

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

The Agreement outlines the various rights and responsibilities of the Authority, the City and the County. These rights and responsibilities generally relate to the operation of the three airports and the provision of services to facilitate those operations. Among those, the Authority was designated the operator of the three airports. The County agreed to contribute \$4.338 million per year for 10 years commencing in 2003 to facilitate the consolidated operations. The Authority and County have agreed to split the final installment due in 2012 into two equal payments of \$2.169 million which will be paid during 2012 and 2013. The Authority agreed to make certain payments on behalf of the County to retire certain debt previously issued for capital improvements at LCK. Also, the County agreed to waive approximately \$88 million of financial aid previously contributed to the RPA. The Authority and the County have agreed to review the County's subsidy if a significant project locates at LCK that provides net revenues to the Authority in an amount greater than the County's subsidy.

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

the Authority paid the remaining balance of the City bonds, which resulted in the termination of the use agreement and title to the airport property was transferred to the Authority.

The RPA was formed under ORC Chapter 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States Government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions and restrictions and reverts to the United States Government at the Government's option if any covenant is violated and not cured within 60 days. At December 31, 2011 and 2010, the Authority owns approximately 4,100 acres of land contiguous to certain airfield property owned by the United States Government at LCK.

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

Reporting Entity

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

The Authority is a joint venture of the County.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

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

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*," the Authority follows GASB guidance as applicable to enterprise funds and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The Authority has elected to follow GASB guidance for enterprise funds rather than FASB guidance issued after November 30, 1989.

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

Budgetary Data

The Authority's budgetary basis of accounting is maintained on a modified accrual basis. Gains and Losses on Securities are not budgeted. All other revenues and expenses are reported on the accrual basis. State statute does not require a specific budgetary basis of accounting under ORC Chapter 4582. The Authority has adopted this basis of accounting to comply with certain airline agreements currently in effect.

The budgetary process begins in June of each year. Each department manager estimates the expected costs to be incurred for the upcoming year. Revenues are estimated based on history, projected increases and market trends within the aviation industry. The President & CEO is responsible to submit budgets for operating revenues and expenses and capital improvements to the Board for approval at least 30 days prior to the beginning of each fiscal year. The budget can be amended by the Board subsequent to its adoption. The Board amended the original 2011 budget on August 23, 2011, as noted on Supplemental Schedule of Revenue and Expenses: Budget vs. Actual – Budget Basis.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31.

Capital Contributions

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

Grants for the acquisition and construction of land, property and certain types of equipment are reported in the Statements of Revenues, Expenses, and Changes in Net Assets, under the classification of capital contributions.

Receivables

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

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2011 and 2010. The receivable was arrived at primarily by taking the subsequent collection of landing fees, commissions and real estate taxes, which are received after year end, and recording the portions earned through year end.

Restricted Assets

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

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

Restricted for Bond Reserves - These assets are restricted for the retirement of the Airport Revenue Bonds, Series 1998B, 2003A, 2003B and 2007.

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

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

At December 31, 2011, none of the Authority's \$24,336,010 of restricted net assets on the Statement of Net Assets were restricted by enabling legislation for Passenger Facility Charges, as defined by GASB Statement No. 46, *"Net Assets Restricted by Enabling Legislation."* At December 31, 2010, \$23,387,007 of the Authority's \$46,742,242 of restricted net assets on the Statement of Net Assets were restricted by enabling legislation for Passenger Facility Charges.

Capital Assets

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

	Total 12/31/10	Additions	Deletions	Transfers	Total 12/31/11
Depreciable Capital Assets:					
Buildings	\$ 335,478,405	9,673,723	(4,750)	20,868,475	\$ 366,015,853
Runways & Other	471,386,610	6,222,118	-	16,314,705	493,923,433
Machinery	42,257,486	9,123,914	(1,081,401)	-	50,299,999
Furniture	2,639,761	230,440	(7,329)	-	2,862,872
Total Depreciable Capital Assets	851,762,262	25,250,195	(1,093,480)	37,183,180	913,102,157
Less Accumulated Depreciation:					
Buildings	120,200,175	8,864,909	(1,306)	-	129,063,778
Runways & Other	208,826,570	20,583,933	-	-	229,410,503
Machinery	26,221,721	4,021,282	(480,795)	-	29,762,208
Furniture	2,083,562	307,251	(7,275)	-	2,383,538
Total Accumulated Depreciation	357,332,028	33,777,375	(489,376)	-	390,620,027
Depreciable Capital Assets, Net	\$ 494,430,234	(8,527,180)	(604,104)	37,183,180	\$ 522,482,130
Nondepreciable Capital Assets:					
Land	\$ 102,037,763	1,884,180	(189,017)	-	\$ 103,732,926
Construction in Progress	\$ 36,510,240	65,530,213	(1,545,820)	(37,183,180)	\$ 63,311,453

	Total 12/31/09	Additions	Deletions	Transfers	Total 12/31/10
Depreciable Capital Assets:					
Buildings	\$ 334,113,601	214,829	(18,515)	1,168,490	\$ 335,478,405
Runways & Other	459,281,836	839,290	-	11,265,484	471,386,610
Machinery	33,929,594	9,011,050	(698,965)	15,807	42,257,486
Furniture	2,572,151	84,925	(17,315)	-	2,639,761
Total Depreciable Capital Assets	829,897,182	10,150,094	(734,795)	12,449,781	851,762,262
Less Accumulated Depreciation:					
Buildings	111,726,209	8,479,058	(5,092)	-	120,200,175
Runways & Other	188,533,302	20,293,453	-	(185)	208,826,570
Machinery	23,619,594	3,196,689	(594,747)	185	26,221,721
Furniture	1,810,200	290,677	(17,315)	-	2,083,562
Total Accumulated Depreciation	325,689,305	32,259,877	(617,154)	-	357,332,028
Depreciable Capital Assets, Net	\$ 504,207,877	(22,109,783)	(117,641)	12,449,781	\$ 494,430,234
Nondepreciable Capital Assets:					
Land	\$ 104,623,654	2,523,650	(5,109,541)	-	\$ 102,037,763
Construction in Progress	\$ 18,084,076	30,875,945	-	(12,449,781)	\$ 36,510,240

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

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

Compensated Absences

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences," the Authority accrues vacation and sick pay benefits as earned by its employees utilizing the vesting method. A summary of the changes in compensated absences for the year ending December 31, 2011, is summarized as follows:

	Balance 12/31/10	Additions	Payments	Balance 12/31/11	Current Portion
Compensated Absences	\$ 3,762,481	\$ 2,498,230	\$ 2,325,182	\$ 3,935,529	\$ 2,400,000

A summary of the changes in compensated absences for the year ending December 31, 2010, is summarized as follows:

	Balance 12/31/09	Additions	Payments	Balance 12/31/10	Current Portion
Compensated Absences	\$ 3,705,850	\$ 2,387,554	\$ 2,330,923	\$ 3,762,481	\$ 2,400,000

Risk Management

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

The Authority carries property insurance on airport property and equipment in the aggregate sum of approximately \$603.5 million. The Authority carries liability insurance coverage in the amount of approximately \$304 million.

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

	2011	2010
Beginning Balance	\$ 131,112	\$ 105,791
Payments	(178,523)	(152,732)
Accruals	126,275	178,053
Ending Balance	\$ 78,864	\$ 131,112

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

Pension Plans

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred (See Note 10).

Revenue

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

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

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

Passenger Facility Charges

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

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

Note 3 - Cash and Cash Equivalents

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner generally consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011 and 2010.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

Deposits with Financial Institutions

At December 31, 2011, the carrying amount of the Authority's deposits with financial institutions was \$193,266 and the bank balance was \$3,084,352. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," \$638,961 of the bank balance was covered by deposit insurance provided by the FDIC; and \$2,445,391 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

At December 31, 2010, the carrying amount of the Authority's deposits with financial institutions was \$4,419,825 and the bank balance was \$5,784,291. Based upon criteria described in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements," \$430,813 of the bank balance was covered by deposit insurance provided by the FDIC; and \$5,353,478 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in possession of an outside party. For depository accounts, the Authority's policy requires deposits to be 105 percent secured by collateral less the amount of the FDIC insurance based on the daily available bank balances to limit its exposure to custodial credit risk.

In addition, the Authority had \$9,200 in cash on hand at December 31, 2011 and 2010.

Investments

As of December 31, 2011, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	\$ 56,110,697	AAA/Aaa	992

As of December 31, 2010, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	\$ 81,793,432	AAA/Aaa	833

The Authority's unrestricted and restricted cash and cash equivalents included \$31,205,716 of money market funds, \$10,192,505 of repurchase agreements and \$10,139,106 of STAR Ohio funds as of December 31, 2011. The Authority's unrestricted and restricted cash and cash equivalents as of December 31, 2010, included \$33,628,446 of money market funds, \$4,381,562 of repurchase agreements and \$9,783,604 of STAR Ohio funds. Standard & Poor's rating for the STAR Ohio fund is AAAM.

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

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

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

Custodial Credit Risk – The Authority's unrestricted and restricted investments at December 31, 2011 and 2010, are insured, registered or are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

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

Note 4 - Restricted Cash and Investments

The following amounts represent restricted cash and investments as of December 31, 2011 and 2010:

Cash and Investments	2011	2010
Restricted for Debt Service	\$ 24,336,010	\$ 23,355,235
Restricted for Passenger Facility Charges	-	23,387,007
Retainages on Construction Contracts	3,510,134	558,793
Customer Deposits and Other	506,082	417,183
Total Restricted Cash and Investments	\$ 28,352,226	\$ 47,718,218

Note 5 - Receivables

The following amounts represent receivables due to the Authority at December 31, 2011 and 2010:

Unrestricted:	2011	2010
Current:		
Accounts Receivable - Trade	\$ 14,029,585	\$ 16,482,695
Less Allowance for Uncollectibles	(446,575)	(435,066)
Total Current Unrestricted Trade Receivables	13,583,010	16,047,629
Accounts Receivable - Other	1,642,684	2,278,130
Non-Current:		
Accounts Receivable - Other	257,981	259,582
Total Unrestricted Receivables	\$ 15,483,675	\$ 18,585,341

Note 6 - Direct Financing Lease

Under direct financing leases, the Authority leases certain rental car facilities within the parking facility (See Note 13). The components of lease receivable for the net investment in direct financing leases are as follows as of December 31, 2010.

Total Minimum Lease Receivables	\$ 368,103
Less Unearned Income	12,997
Net Investment in Direct Financing Leases	\$ 355,106
Current Portion	\$ 355,106
Non-Current Portion	-
Net Investment in Direct Financing Leases	\$ 355,106

There are no future minimum lease receivables due from tenants under direct financing leases as of December 31, 2011, since the direct financing leases terminated in 2011.

Unearned Income on direct financing leases is recognized in such a manner as to produce a constant periodic rate of return on the net investment in the direct financing lease. During 2011, \$12,997 of interest was recognized reducing the balance of Unearned Income from \$12,997 to \$0.

Note 7 - Commercial Paper

On September 6, 2007, the Authority entered into an agreement with Deutsche Bank National Trust Company. Under this agreement, the Authority is allowed to issue an aggregate principal amount, not-to-exceed \$75,000,000 outstanding at any one time, of commercial paper notes in three series (Series A-Tax-exempt, Non AMT; Series B-Tax-exempt, AMT; and Series C-Taxable) collateralized by a letter of credit issued by Credit Agricole Corporate & Investment Bank (formerly Calyon New York Branch) and a subordinated lien and pledge of net revenues of the Authority. Under the agreement, the commercial paper notes may be renewed until September 5, 2014, in up to 270-day increments and are subordinated to the Authority's revenue bonds. The notes may be issued to finance authorized capital projects, reimburse the bank for any authorized draws made under the letter of credit, pay all or a portion of the principal and interest on the notes, fund capitalized interest or finance any costs of issuance.

At December 31, 2011, there was \$5,000,000 of commercial paper notes outstanding with interest rates of 1.6 percent. At December 31, 2010, there was \$5,000,000 of commercial paper notes outstanding with interest rates of 0.30 percent.

Effective February 1, 2012, the Authority and Deutsche Bank National Trust Company terminated the agreement and all outstanding balances have been paid in full.

Commercial paper information and activity as of and for the year ended December 31, 2011, is presented below:

	Balance 12/31/10	Additions	Payments	Balance 12/31/11	Amounts Due Within One Year
Commercial Paper Notes:					
Series A	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Total	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000

Commercial paper information and activity as of and for the year ended December 31, 2010, is presented below:

	Balance 12/31/09	Additions	Payments	Balance 12/31/10	Amounts Due Within One Year
Commercial Paper Notes:					
Series A	\$ 21,500,000	\$ -	\$ 16,500,000	\$ 5,000,000	\$ 5,000,000
Total	\$ 21,500,000	\$ -	\$ 16,500,000	\$ 5,000,000	\$ 5,000,000

Note 8 - Unearned Income

Unearned income activity for the year ended December 31, 2011, is summarized as follows:

	Balance 12/31/10	Additions	Payments	Balance 12/31/11	Current Portion
City Golf Course	\$ 7,660,190	\$ -	\$ 97,330	\$ 7,562,860	\$ 105,622
Deferred Rents	9,045,486	-	191,660	8,853,826	191,660
Other	504,136	1,125,000	8,374	1,620,762	1,401,213
	\$ 17,209,812	\$ 1,125,000	\$ 297,364	\$ 18,037,448	\$ 1,698,495

Unearned income activity for the year ended December 31, 2010, is summarized as follows:

	Balance 12/31/09	Additions	Payments	Balance 12/31/10	Current Portion
City Golf Course	\$ 7,749,608	\$ -	\$ 89,418	\$ 7,660,190	\$ 97,330
Deferred Rents	11,597,177	-	2,551,691	9,045,486	191,660
Other	1,067,308	-	563,172	504,136	290,864
	\$ 20,414,093	\$ -	\$ 3,204,281	\$ 17,209,812	\$ 579,854

Unearned income for the City Golf Course reflects prepaid rents received by the Authority from the City in 2005 for two golf courses on Authority property. Deferred Rents include prepaid rents received from DRCS, LLC for certain land at LCK.

Note 9 - Long-Term Debt

Revenue Bonds

On February 1, 1998, the Authority issued \$81,375,000 of Airport Improvement Revenue Bonds, Series 1998B. The bond proceeds were used to construct a new parking facility and improve landside roadways and terminal aprons. On April 12, 2007, bonds with a par value of \$61,965,000 were refunded with proceeds from the Airport Refunding Revenue Bonds, Series 2007. The remaining bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$2,595,000 to \$2,730,000 through January 1, 2013. The interest rate on the remaining bonds is 5.25 percent. Revenue bonds payable at December 31, 2011, net of unamortized discount of \$4,874, are \$5,320,126 and at December 31, 2010, net of unamortized discount of \$14,382, are \$7,775,618. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 28, 2003, the Authority issued \$26,210,000 of Airport Refunding Revenue Bonds, Series 2003A. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$1,110,000 to \$1,945,000 through January 2024. Interest rates range from 4.00 percent to 5.50 percent with a weighted average rate of 4.35 percent. Revenue bonds payable at December 31, 2011, net of unamortized premium of \$82,110, are \$19,392,110 and at December 31, 2010, net of unamortized premium of \$94,018, are \$20,479,018. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 28, 2003, the Authority issued \$7,235,000 of Airport Refunding Revenue Bonds, Series 2003B. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$310,000 to \$2,845,000 through January 2024. Interest rates range from 3.60 percent to 4.70 percent with a weighted average rate of 3.86 percent. Revenue bonds payable at December 31, 2011, net of unamortized premium of \$22,533, are \$5,342,533 and at December 31, 2010, net of unamortized premium of \$26,343, are \$5,641,343. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On April 12, 2007, the Authority issued \$59,750,000 of Airport Refunding Revenue Bonds, Series 2007. The bond proceeds were used to partially refund the Authority's outstanding Airport Improvement Bonds, Series 1998B, fund the Series 2007 Debt Service Reserve Account and pay the costs of issuance of the Series 2007 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$2,805,000 to \$5,475,000 through January 2028. Interest rates range from 4.357 percent to 5.00 percent with a weighted average rate of 4.92 percent. Revenue bonds payable at December 31, 2011, net of unamortized premium of \$2,549,213, are \$62,299,213. Revenue bonds payable at December 31, 2010, net of unamortized premium of \$2,806,920, are \$62,556,920. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

Advance Refunding and Defeasances

In 2003, the Authority refunded \$30,950,000 of Airport Improvement Revenue Bonds, Series 1994A, through the issuance of \$33,445,000 of Airport Refunding Revenue Bonds, Series 2003. The refunded bonds, which have an outstanding balance of \$26,935,000 at December 31, 2011, are not included in the Authority's outstanding debt since the Authority has in substance satisfied its obligation through advance refunding. The Authority reduced its aggregate debt service payments over the life of the refunded bonds by \$4.31 million and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$2.65 million.

The Authority did advance refund and defease certain bond issues on April 12, 2007. The Authority accounted for these 2007 advance refundings in accordance with GASB Statement No. 7, "*Advance Refunding Resulting in Defeasance of Debt*," for the governmental (non-enterprise) debt and GASB Statement No. 23, "*Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*," for the enterprise-type debt.

These advance refundings of the enterprise-type debt resulted in a \$2,713,079 difference between the \$63,786,542 reacquisition price and the carrying amount of the old debt which was \$61,073,463. This difference, deferred amount of refunding, is reported in the financial statements with unamortized bond discount amortized to operations over the remaining lives of the refunding (new) bonds which equates to the remaining lives of the refunded (old) bonds using the effective interest method.

The Authority, in completing the advance refunding, reduced its debt service payments over 20 years by \$4.09 million for an economic gain, present value savings, of \$2.43 million. Amortization of the deferred amount on refunding was \$185,295 for 2011 and \$185,296 for 2010. Unamortized deferral on refunding was \$1,832,925 and \$2,018,220 in 2011 and 2010, respectively.

Ohio Public Works Commission

In 1995, the RPA agreed to reimburse the County for debt service on \$1,489,000 of an Ohio Public Works Commission loan for storm sewer improvements. The agreement is non-interest bearing and provides for annual principal payments of \$74,450 until January 1, 2015. The outstanding balance at December 31, 2011, is \$223,350, of which \$37,225 is the current amount due.

Revenue bond and loan activity for the year ended December 31, 2011, is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
Bonds:				
1998B	\$ 7,790,000	\$ -	\$ (2,465,000)	\$ 5,325,000
Unamortized discount	(14,382)	-	9,508	(4,874)
2003A	20,385,000	-	(1,075,000)	19,310,000
Unamortized premium	94,018	-	(11,908)	82,110
2003B	5,615,000	-	(295,000)	5,320,000
Unamortized premium	26,343	-	(3,810)	22,533
2007	59,750,000	-	-	59,750,000
Unamortized premium	2,806,920	-	(257,707)	2,549,213
Deferral on refunding	(2,018,220)	-	185,295	(1,832,925)
Loans:				
Other	297,800	-	(74,450)	223,350
	\$ 94,732,479	\$ -	\$ (3,988,072)	\$ 90,744,407
Less Current Portion	3,872,225			4,052,225
	\$ 90,860,254			\$ 86,692,182

Revenue bond and loan activity for the year ended December 31, 2010, is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
Bonds:				
1998B	\$ 10,130,000	\$ -	\$ (2,340,000)	\$ 7,790,000
Unamortized discount	(28,291)	-	13,909	(14,382)
2003A	21,420,000	-	(1,035,000)	20,385,000
Unamortized premium	107,111	-	(13,093)	94,018
2003B	5,905,000	-	(290,000)	5,615,000
Unamortized premium	29,842	-	(3,499)	26,343
2007	59,750,000	-	-	59,750,000
Unamortized premium	3,064,628	-	(257,708)	2,806,920
Deferral on refunding	(2,203,516)	-	185,296	(2,018,220)
Loans:				
Other	1,732,017	-	(1,434,217)	297,800
	\$ 99,906,791	\$ -	\$ (5,174,312)	\$ 94,732,479
Less Current Portion	3,795,109			3,872,225
	\$ 96,111,682			\$ 90,860,254

Maturities and interest on bonds payable and loans outstanding to the Ohio Public Works Commission for the next five years and in subsequent five-year periods as of December 31, 2011, are as follows:

	Principal	Interest
2012	\$ 4,052,225	\$ 4,197,020
2013	4,279,450	3,995,655
2014	4,414,450	3,794,892
2015	4,577,225	3,565,530
2016	4,770,000	3,370,955
2017-2021	27,485,000	12,838,001
2022-2026	29,660,000	5,385,693
2027-2028	10,690,000	273,750
Total	\$ 89,928,350	\$ 37,421,496

Unamortized premium was \$2,648,982, and unamortized deferral on refunding was \$1,832,925 at December 31, 2011.

Note 10 - Pension Plans and Other Postemployment Benefits

All Authority employees are required to participate in the statewide Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the MD Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to qualifying members of both the TP and CO Plans. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care coverage. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC. In 2011, the employer was required to contribute 14% of active member payroll. For full-time employees hired on April 1, 2011 and thereafter, the portion of an employee's contribution is equal to 10% to be paid by the employee. For full-time employees hired prior to April 1, 2011, the portion of an employee's contribution is equal to a maximum of 9% to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority and a minimum of 1% to be paid by the employee. This amendment was accepted by OPERS and acknowledged as in compliance with IRS guidelines.

Total required employer contributions billed to the Authority were \$4,820,968, \$4,659,952 and \$4,765,365 for the years ended December 31, 2011, 2010 and 2009, respectively, and are equal to 100 percent of the dollar amount extracted from the Authority's records.

The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Other postemployment benefits for health care costs provided by OPERS are as follows:

The postretirement health care coverage includes a medical plan, prescription drug program and Medicare Part B premium reimbursement to qualifying members. In order to qualify for postretirement health care coverage, age and service retirees under the TP and CO Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension.*" A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The ORC provides statutory authority for employer contributions and permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. The ORC currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB plan. OPERS Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The 2011 employer contribution rate for state employers was 14% of covered payroll. The portion of employer contributions allocated to health care for members in the TP Plan was 4.0% for calendar year 2011. The

portion of employer contributions allocated to health care for the CO Plan was 6.05% for the calendar year 2011. These rates are the actuarially determined contribution requirements for OPERS. The portion of the Authority's 2011, 2010 and 2009 contribution that was used to fund postemployment benefits was \$1,377,351 \$1,691,501 and \$2,012,165, respectively. The ORC provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

In September 2004, OPERS board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, 2007 and 2008, which allowed additional funds to be allocated to the health care plan.

Note 11 - Capital Contributions

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

	2011	2010
Federal	\$ 31,324,353	\$ 22,236,919
State and Local	2,951,784	714,486
Total	\$ 34,276,137	\$ 22,951,405

Note 12 - Commitments and Contingencies

Capital Improvements

As of December 31, 2011, the Authority was obligated for completion of certain airport improvements under commitments of approximately \$84.4 million. An estimated \$52.4 million is eligible for reimbursement from the FAA. The remaining amount is expected to be funded from bond proceeds, current available resources, PFCs and future operations.

Federally Assisted Programs – Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2011, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

Note 13 - Property Leased to Others

The Authority is a lessor of space in CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the Statements of Net Assets are held by the Authority for the purpose of rental or related use. The cost and net book value of property held for operating leases as of December 31, 2011, is \$358,977,259 and \$225,680,194, respectively. The cost and net book value of property held for operating leases as of December 31, 2010, is \$319,220,357 and \$196,164,723, respectively.

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

2012	\$ 11,259,902
2013	12,794,566
2014	12,282,078
2015	4,759,434
2016	4,466,313
2017-2021	18,564,433
2022-2026	10,266,653
2027-2031	8,058,852
2032-2036	6,702,311
2037-2041	4,311,505
2042-2046	843,348
2047-2051	847,241
2052-2056	955,554
	<u>\$ 96,112,190</u>

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

Contingent operating revenue aggregated approximately \$21,975,000 and \$20,103,000, respectively in 2011 and 2010.

Note 14 - Related Party Transactions

County of Franklin, Ohio

In accordance with the Port Authority Consolidation and Joinder Agreement, the County agreed to contribute \$4.338 million per year for 10 years commencing in 2003 to facilitate the consolidated operations. The Authority and County have agreed to split the final installment due in 2012 into two equal payments of \$2.169 million which will be paid during 2012 and 2013. In 2011 and 2010, the Authority recorded these payments from the County in Other Non-Operating Income. The Authority and the County have agreed to review the County's subsidy if a significant project locates at LCK that provides net revenues to the Authority in an amount greater than the County's subsidy.

Note 15 - Conduit Debt

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

As of December 31, 2011 and 2010, there were 28 series of bonds outstanding, with aggregate principal balances of \$367,930,896 and \$446,053,509, respectively. The original issue amounts for these 28 series totaled \$528,172,079.

Supplemental Schedule of Revenues and Expenses: Budget vs. Actual - Budget Basis
For the Year Ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance to Amended Budget
Operating Revenues				
Airline Revenue	\$ 24,382,183	\$ 26,031,691	\$ 25,085,134	\$ (946,557)
Parking Revenue	27,375,980	27,375,980	27,188,469	(187,511)
Concession Revenue	17,404,624	17,404,624	18,276,155	871,531
General Aviation Revenue	2,312,938	2,312,938	2,602,259	289,321
Cargo Operations Revenue	1,735,218	1,735,218	1,647,432	(87,786)
Foreign Trade Zone Fees	428,750	428,750	382,363	(46,387)
Other Revenue	2,076,884	2,076,884	2,267,808	190,924
Total Operating Revenues	75,716,577	77,366,085	77,449,620	83,535
Operating Expenses				
Employee Wages and Benefits	31,516,258	31,516,258	30,680,294	835,964
Purchase of Services	22,710,060	22,710,060	23,128,112	(418,052)
Materials and Supplies	3,697,367	3,697,367	3,598,917	98,450
Other Expenses	-	-	60,939	(60,939)
Total Operating Expenses	57,923,685	57,923,685	57,468,262	455,423
Operating Income Before Depreciation	17,792,892	19,442,400	19,981,358	538,958
Less: Depreciation	33,423,355	33,423,355	33,777,375	(354,020)
Operating Loss	(15,630,463)	(13,980,955)	(13,796,017)	184,938
Non-Operating Revenues (Expenses)				
Interest Income	1,063,338	1,063,338	804,334	(259,004)
Other Non-Operating Revenues	5,313,300	5,313,300	5,353,864	40,564
Passenger Facility Charges	13,770,000	13,770,000	13,059,303	(710,697)
Rental Car Facility Charges	4,590,000	4,590,000	5,614,530	1,024,530
Interest Expense	(4,224,900)	(4,224,900)	(4,135,651)	89,249
Loss on Securities	-	-	17,633	17,633
Amortization of Deferred Charges	(358,808)	(358,808)	(358,808)	-
Gain (Loss) on Disposal of Assets	10,000	10,000	(2,095,064)	(2,105,064)
Total Non-Operating Revenues	20,162,930	20,162,930	18,260,141	(1,902,789)
Income Before Capital Contributions	4,532,467	6,181,975	4,464,124	(1,717,851)
Adjustments to Reconcile GAAP Net Income Before Capital Contributions to Budgeted Net Income:				
Loss on Securities	-	-	(17,633)	(17,633)
Total Adjustments	-	-	(17,633)	(17,633)
Net Income Adjusted to the Budgetary Basis of Accounting	\$ 4,532,467	\$ 6,181,975	\$ 4,446,491	\$ (1,735,484)

statistical section (unaudited)

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

Financial Trends and Revenue Capacity

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

Debt Capacity

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

Operating Information

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

Economic and Demographic Information

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

Revenues and Expenses by Type

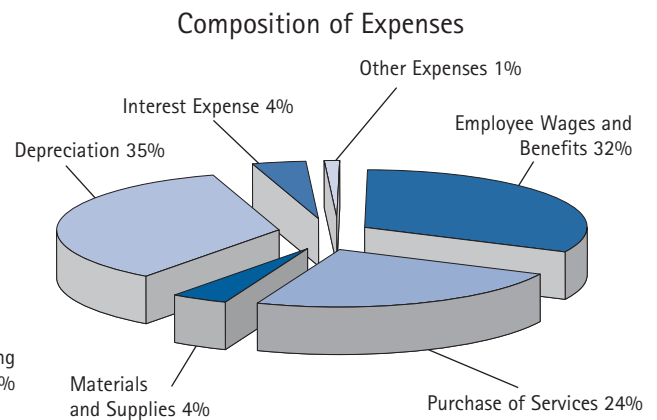
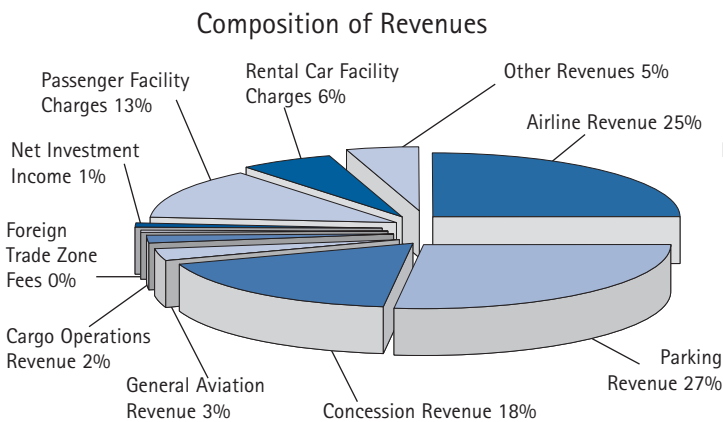
For the Ten Years Ended December 31, 2011 (dollars in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Airline Revenue	\$ 25,085	24,783	24,204	25,930	20,817	18,227	17,930	19,485	21,338	14,385
Parking Revenue	27,188	25,395	24,391	28,144	29,081	23,984	22,154	20,536	18,904	18,811
Concession Revenue	18,276	17,486	16,897	18,985	18,881	16,030	15,100	13,917	13,813	13,508
General Aviation Revenue	2,602	2,304	2,256	2,452	2,245	2,359	2,412	2,569	2,472	2,522
Cargo Operations Revenue	1,648	1,614	1,582	1,791	1,990	2,003	1,679	1,265	1,226	-
Foreign Trade Zone Fees	382	378	440	493	482	607	440	544	550	-
Net Investment Income	822	1,130	1,122	3,424	3,075	4,156	2,430	1,469	755	1,310
Passenger Facility Charges	13,059	13,332	12,584	15,487	19,141	16,004	14,504	13,276	13,212	13,351
Rental Car Facility Charges	5,615	5,011	4,457	3,211	2,140	-	-	-	-	-
Other Revenues	5,527	7,411	8,648	10,438	7,634	6,745	8,068	7,412	7,100	3,598
	100,204	98,844	96,581	110,355	105,486	90,115	84,717	80,473	79,370	67,485
Expenses:										
Employee Wages and Benefits	30,680	30,252	28,267	30,537	28,348	26,101	24,635	23,732	23,076	17,516
Purchase of Services	23,128	19,829	20,198	21,689	19,048	16,967	15,304	14,813	14,699	12,839
Materials and Supplies	3,599	3,567	2,745	2,469	2,708	2,120	2,558	2,051	2,039	1,607
Depreciation	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161	19,852	14,967
Interest Expense	4,136	4,425	4,704	5,196	4,679	5,833	6,209	6,675	8,049	7,179
Other Expenses	420	442	387	450	487	161	(116)	346	715	205
	95,740	90,775	85,500	86,246	80,089	74,762	71,410	68,778	68,430	54,313
Income Before Capital Contributions, Special and Extraordinary Items	\$ 4,464	8,069	11,081	24,109	25,397	15,353	13,307	11,695	10,940	13,172

SOURCE: The Authority Accounting Department

Note: The year 2003 was the first year which included LCK's data in the statistics

2011 Revenue and Expense Breakdown by Type



Revenues and Expenses by Area

For the Ten Years Ended December 31, 2011 (dollars in thousands)

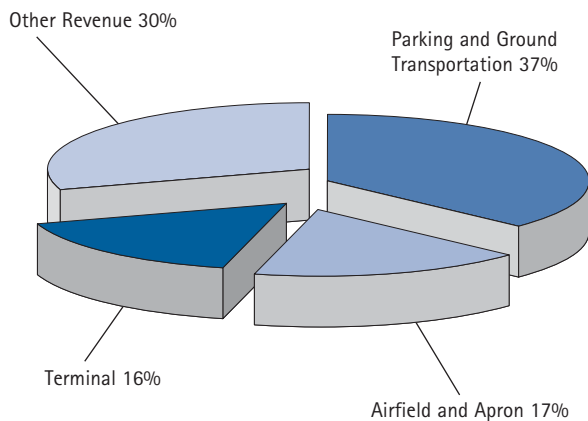
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Parking & Ground Transportation	\$ 37,134	34,913	33,187	38,672	39,699	33,695	31,250	28,899	27,376	27,654
Airfield & Apron	16,856	17,415	17,812	17,994	14,869	13,741	12,609	12,964	13,474	10,869
Terminal	15,788	14,237	13,034	14,773	13,119	10,955	11,244	12,159	11,252	7,307
Other Revenue	30,426	32,279	32,548	38,916	37,799	31,724	29,614	26,451	27,268	21,655
	100,204	98,844	96,581	110,355	105,486	90,115	84,717	80,473	79,370	67,485
Expenses:										
Parking & Ground Transportation	13,333	11,692	12,221	13,927	15,455	14,143	12,224	13,005	12,099	10,989
Airfield & Apron	18,151	17,207	15,723	16,079	14,733	14,473	13,118	12,097	12,816	11,006
Terminal	19,053	17,586	16,398	18,131	17,450	17,753	15,998	15,524	14,464	12,831
Other Expenses	11,426	12,030	11,959	12,204	7,632	4,813	7,250	6,991	9,199	4,520
Expenses Before Depreciation	61,963	58,515	56,301	60,341	55,270	51,182	48,590	47,617	48,578	39,346
Depreciation	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161	19,852	14,967
	95,740	90,775	85,500	86,246	80,089	74,762	71,410	68,778	68,430	54,313
Income Before Capital Contributions, Special and Extraordinary Items										
	\$ 4,464	8,069	11,081	24,109	25,397	15,353	13,307	11,695	10,940	13,172

SOURCE: The Authority Accounting Department

Note: The year 2003 was the first year which included LCK's data in the statistics

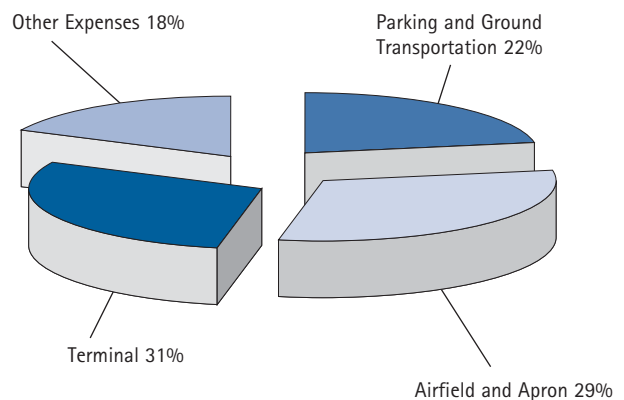
2011 Revenue and Expense Breakdown by Area

Composition of Revenues



Composition of Expenses

(Excluding Depreciation)



Total Annual Revenues, Expenses, and Changes in Net Assets
For the Ten Years Ended December 31, 2011 (dollars in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating Revenues										
Airline Revenue	\$ 25,085	24,783	24,204	25,930	20,817	18,227	17,930	19,485	21,338	14,385
Parking Revenue	27,188	25,395	24,391	28,144	29,081	23,984	22,154	20,536	18,904	18,811
Concession Revenue	18,276	17,486	16,897	18,985	18,881	16,030	15,100	13,917	13,813	13,508
Other Revenue	6,900	6,551	7,585	7,225	6,869	6,942	6,479	6,478	6,347	3,735
Total Operating Revenues	77,449	74,215	73,077	80,284	75,648	65,183	61,663	60,416	60,402	50,439
Operating Expenses										
Employee Wages and Benefits	30,680	30,252	28,267	30,537	28,348	26,101	24,635	23,732	23,076	17,516
Purchase of Services	23,128	19,829	20,198	21,689	19,048	16,967	15,304	14,813	14,699	12,839
Materials and Supplies	3,599	3,567	2,745	2,469	2,708	2,120	2,558	2,051	2,039	1,607
Other Expenses	61	71	6	58	61	(30)	(313)	142	7	1
Total Operating Expenses	57,468	53,719	51,216	54,753	50,165	45,158	42,184	40,738	39,821	31,963
Operating Income Before Depreciation	19,981	20,496	21,861	25,531	25,483	20,025	19,479	19,678	20,581	18,476
Less: Depreciation	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161	19,852	14,967
Operating Income (Loss)	(13,796)	(11,764)	(7,338)	(374)	664	(3,555)	(3,341)	(1,483)	729	3,509
Non-Operating Revenues (Expenses)										
Investment Income	804	1,244	1,524	2,851	2,666	3,734	2,889	1,510	755	1,310
Other Non-Operating Revenues	5,354	5,458	5,262	5,367	5,263	5,280	5,439	5,241	4,990	2,385
Passenger Facility Charges	13,059	13,332	12,584	15,487	19,141	16,004	14,504	13,276	13,212	13,351
Rental Car Facility Charges	5,615	5,011	4,457	3,211	2,140	-	-	-	-	-
Interest Expense	(4,136)	(4,425)	(4,704)	(5,196)	(4,679)	(5,833)	(6,209)	(6,675)	(8,049)	(7,179)
Gain (Loss) on Securities	18	(114)	(402)	572	409	422	(459)	(41)	-	-
Amortization of Deferred Charges	(359)	(371)	(381)	(391)	(426)	(191)	(197)	(205)	(709)	(132)
Gain (Loss) on Disposal of Assets	(2,095)	(302)	79	2,582	219	(508)	681	72	12	(72)
Total Non-Operating Revenues	18,260	19,833	18,419	24,483	24,733	18,908	16,648	13,178	10,211	9,663
Income Before Capital Contributions,										
Special And Extraordinary Items	4,464	8,069	11,081	24,109	25,397	15,353	13,307	11,695	10,940	13,172
Capital Contributions	34,276	22,951	10,720	17,975	26,514	26,107	22,005	21,660	8,725	8,787
Special and Extraordinary Items	-	-	-	-	-	-	(1,595)	-	-	-
Net Assets Acquired Through Merger	-	-	-	-	-	-	-	-	73,259	-
Increase In Net Assets	38,740	31,020	21,801	42,084	51,911	41,460	33,717	33,355	92,924	21,959
Total Net Assets, Beginning Of Year	649,310	618,290	596,489	554,405	502,494	461,034	427,317	393,962	301,038	279,079
Total Net Assets, End Of Year	\$ 688,050	649,310	618,290	596,489	554,405	502,494	461,034	427,317	393,962	301,038

SOURCE: The Authority's Audited Financial Statements

Note: The year 2003 was the first year which included LCK's data in the statistics

Schedule of Insurance in Force

As of January 1, 2012

Type of Coverage	Insurer	Coverage Amount	Expiration Date
Airport Property and Equipment Insurance			
Building and Contents	Travelers Indemnity	\$ 602,500,478	11/01/12
Business Auto	Travelers Property Casualty Co. of America	\$ 1,000,000	11/01/12
Liability Insurance			
Aviation and General	Commerce and Industry Ins. Co.	\$ 250,000,000	11/01/12
Pollution Liability (LCK)	American International Specialty Lines Ins. Co.	\$ 25,000,000	01/01/13
Public Official and Employees Liability	Illinois National Insurance Co.	\$ 10,000,000	11/01/12
Pollution Liability - Storage Tank Pollution	Illinois Union Insurance Co.	\$ 1,000,000	11/01/12
Police Professional	Lexington Insurance Co.	\$ 10,000,000	11/01/12
Employee Dishonesty	Hartford Fire Insurance Co.	\$ 1,000,000	11/01/12
Fiduciary Liability	Federal Insurance Co.	\$ 1,000,000	11/01/12
Special Accident	Federal Insurance Co.	\$ 5,000,000	11/01/12
International Commerce Insurance	Vigilant Insurance Co.	\$ 1,000,000	11/01/12
Surety Bonds	Western Surety Co.	\$ 250,000	Various
Workers' Compensation Insurance			
Excess Workers' Compensation	Midwest Employers Casualty Co.	\$ 50,000,000	11/01/12

Source: The Authority's Finance Department

Ratios of Outstanding Debt
 For the Ten Years Ended December 31, 2011
 (In Thousands Except Outstanding Debt Per Enplaned Passenger)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Outstanding Debt by type:										
Commercial Paper Notes	\$ 5,000	5,000	21,500	30,000	25,000	-	-	-	-	-
General Airport Revenue Bonds (GARB)	90,521	94,435	98,175	101,757	105,185	111,058	114,476	117,759	119,773	120,909
Ohio Public Works Commission	223	297	372	446	521	596	670	744	819	-
Other Debt	-	-	1,360	1,447	1,530	3,517	6,275	12,009	17,774	18,445
Total Outstanding Debt	\$ 95,744	99,732	121,407	133,650	132,236	115,171	121,421	130,512	138,366	139,354
Enplaned Passengers	3,190	3,184	3,123	3,459	3,865	3,363	3,307	3,113	3,157	3,367
Outstanding Debt										
per Enplaned Passenger	\$ 30.02	31.32	38.88	38.64	34.21	34.25	36.72	41.92	43.83	41.39

Source: The Authority's Accounting Department

Schedule of Debt and Obligation Coverages

For the Ten Years Ended December 31, 2011

(Dollars in Thousands, Except Coverage)

Year	Gross Revenue ⁽¹⁾	Debt Operating Expenses ⁽²⁾	Net Revenue Available for Debt & Obligation Payments	Debt and Obligation Requirements			
				Principal	Interest	Total	Coverage
2011	\$81,530	\$57,468	\$24,062	\$3,909	\$4,135	\$8,044	2.99
2010	\$80,500	(\$53,719)	\$26,781	\$5,099	\$4,425	\$9,524	2.81
2009	\$79,539	(\$51,215)	\$28,324	\$3,672	\$4,704	\$8,376	3.38
2008	\$91,657	(\$54,753)	\$36,904	\$3,517	\$5,196	\$8,713	4.24
2007	\$84,204	(\$50,165)	\$34,039	\$7,112	\$4,679	\$11,791	2.89
2006	\$74,111	(\$45,157)	\$28,954	\$6,268	\$5,833	\$12,101	2.39
2005	\$68,617	(\$42,185)	\$26,432	\$9,109	\$6,209	\$15,318	1.73
2004	\$67,198	(\$40,738)	\$26,460	\$7,870	\$6,675	\$14,545	1.82
2003	\$66,158	(\$39,821)	\$26,337	\$7,829	\$8,049	\$15,878	1.66
2002	\$54,134	(\$31,963)	\$22,171	\$7,004	\$7,179	\$14,183	1.56

Source: The Authority's Accounting Department

Note: The year 2003 was the first year which included LCK's data in the statistics

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

(2) Direct Operating Expense excludes Depreciation

Capital Asset Statistics by Function

For the Year Ended December 31, 2011

Airport Codes:

CMH	Port Columbus International Airport
LCK	Rickenbacker International Airport
TZR	Bolton Field Airport

	CMH	LCK	TZR
Location:	6 miles East of downtown Columbus	10 miles Southeast of downtown Columbus	8 miles Southwest of downtown Columbus
Elevation:	815 ft	744 ft	905 ft
International:	Yes: FIS facility	Yes: FIS facility	No
Tower:	24/7 daily + TRACON	24/7 daily	0730-1930 daily
FBO:	Lane, Landmark	Lane, Airnet	Capital City Jet Center
Acres (+/-):	2,272	4,118	1,307
Runways:	10L-28R: ILS, GPS 8,000 x 150 ft	5L-23R: ILS, GPS 11,902 x 150 ft	4-22: ILS, GPS 5,500 x 100 ft
	10R-28L: ILS, GPS 10,125 x 150 ft	5R-23L: ILS, GPS 12,102 x 200 ft	
Terminal:			
Airlines - sq ft	204,690	-	-
Tenants - sq ft	62,686	706	307
Public/Common - sq ft	312,881	14,872	2,015
Mechanical - sq ft	93,043	1,054	1,290
Other - sq ft	161,899	25,819	3,078
Total - sq ft	835,199	42,451	6,690
Number of Passenger Gates	34	2	-
Number of Loading Bridges	30	2	-
Number of Concessionaires in Terminal	40	-	1
Number of Rental Car Agencies	8	-	-
Apron:			
Commercial Airlines - sq ft	1,365,693	-	-
Cargo Airlines - sq ft	-	3,210,300	-
FBO - sq ft	487,900	474,100	39,600
Parking:			
Spaces Assigned:			
Garage:		Controlled	350
Short-term	605		
Long-term	2,589	Manual/Overflow	150
Shuttle/Remote Lots:			
Blue Lot	4,873		
Red Lot	2,711		
Green Lot	2,130		
Employee Lot	1,217		
Rental Cars (8 Rental Agencies)	1,057		
Total	15,182	500	
Cargo:			
Air Cargo Buildings - sq ft	60,000	212,800	-

Source: The Authority's Asset Management and Real Estate Department, and Business Development and Communications Department.

FIS - Federal Inspection Service

FBO - Fixed-Base Operator

Air Commerce Trends
 Port Columbus International Airport
 For the Ten Years Ended December 31, 2011

Year	Total Passenger Volume	% Change	In Pounds		
			Cargo ⁽¹⁾	Freight ⁽²⁾	Mail
2011	6,378,722	0.2	66,236	7,093,122	2,256,616
2010	6,366,191	2.1	96,055	6,919,425	2,630,001
2009	6,233,485	(9.8)	74,535	7,663,839	2,633,530
2008	6,910,045	(10.5)	142,347	9,762,126	4,460,295
2007	7,719,340	14.6	273,735	9,538,051	3,716,194
2006	6,733,990	1.9	827,486	9,584,434	8,537,279
2005	6,611,575	6.1	1,693,728	7,136,401	11,046,679
2004	6,232,332	(0.3)	1,252,413	6,831,713	12,873,701
2003	6,252,233	(7.2)	906,153	7,788,444	15,047,248
2002	6,740,935	0.9	728,739	8,648,769	14,212,967

Source: The Authority's Accounting Department

(1) Freight carried by cargo carriers

(2) Freight carried in the belly of an air carrier

Air Commerce Trends
Rickenbacker International Airport
For the Ten Years Ended December 31, 2011

Year	Total Passenger Volume	% Change	Cargo (In Pounds)	% Change
2011	14,880	40.5	146,164,909	(5.0)
2010	10,587	(19.1)	153,793,913	(2.9)
2009	13,082	(41.1)	158,450,106	(20.7)
2008	22,222	204.5	199,814,163	(9.4)
2007	7,299	27.2	220,529,131	(12.1)
2006	5,739	(85.5)	250,748,061	0.7
2005	39,554	(71.1)	248,917,975	15.3
2004	136,949	424.7	215,926,925	5.0
2003	26,100	-	205,724,924	11.4
2002	-	-	184,643,243	-

Source: The Authority's Business Development and Communications Department

Note: The year 2003 is the first year for passenger activity at LCK

Airline Cost per Enplaned Passenger
Port Columbus International Airport
For the Ten Years Ended December 31, 2011
(In Thousands Except Airline Cost Per Enplaned Passenger)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Airline Cost for the Airfield Area	\$ 16,403	16,060	14,809	14,933	13,630	11,562	10,923	10,717	12,905	11,840
Airline Cost for the Terminal Building	11,007	9,820	9,194	12,556	11,448	10,402	9,323	10,377	10,854	9,649
Airline Cost for the Aircraft Parking Area	2,913	2,639	2,059	2,033	1,819	1,561	1,545	1,860	2,507	2,204
General Airline Credit	(5,853)	(3,953)	(3,275)	(3,275)	(3,950)	(4,625)	(5,300)	(5,300)	(5,300)	(5,300)
Total Airline Cost	\$ 24,470	24,566	22,787	26,247	22,947	18,900	16,491	17,654	20,966	18,393
Enplanements	3,190	3,184	3,123	3,459	3,865	3,363	3,307	3,113	3,157	3,367
Airline Cost per Enplaned Passenger	\$ 7.67	7.72	7.30	7.59	5.94	5.62	4.99	5.67	6.64	5.46

Source: The Authority's Accounting Department

NOTE: The Authority negotiated a five year airline agreement effective January 1, 2000, and renegotiated airline agreements effective January 1, 2005 and January 1, 2010. The rates and charges are calculated pursuant to formulas set forth in the airline agreement.

Air Carrier Market Shares Port Columbus International Airport For the Ten Years Ended December 31, 2011

	2011		2010 Total Airline Passengers	2009 Total Airline Passengers	2008 Total Airline Passengers	2007 Total Airline Passengers	2006 Total Airline Passengers	2005 Total Airline Passengers	2004 Total Airline Passengers	2003 Total Airline Passengers	2002 Total Airline Passengers
	Market Share Percentage	Total Airline Passengers									
1 Southwest	28.17%	1,796,696	1,713,855	1,695,002	1,781,405	1,643,557	1,521,778	1,289,278	1,088,221	907,513	832,880
2 Delta ⁽¹⁾ , Delta Connection	22.77%	1,452,169	1,430,551	883,794	1,019,877	1,209,366	1,232,978	1,377,219	1,332,258	1,225,796	1,118,105
3 US Airways Group ⁽²⁾ , US Airways Express	14.83%	946,018	952,168	941,864	1,091,472	1,138,854	1,147,376	1,111,307	999,500	1,394,175	2,069,193
4 American, American Eagle, American Connection	12.35%	787,556	746,322	739,273	821,772	956,494	871,197	854,842	830,395	862,419	914,996
5 United, United Express	8.51%	543,080	554,292	558,088	641,690	700,422	682,027	656,627	708,621	636,163	663,065
6 Airtran Airways	5.96%	380,337	394,338	363,814	37,588	-	-	-	-	-	-
7 Continental, Continental Express, Continental Connection	5.33%	340,083	423,108	436,990	460,776	513,554	493,613	464,458	459,635	456,676	419,563
8 Frontier	1.27%	80,860	98,673	73,284	79,100	80,189	43,441	41,474	36,954	47,395	59,446
9 Air Canada Jazz	0.55%	35,607	32,690	26,007	39,059	39,692	41,079	41,651	42,163	42,920	50,331
Northwest ⁽¹⁾	-	-	-	493,543	546,485	525,810	604,941	639,839	659,567	638,491	579,568
Jetblue Airways	-	-	-	-	2,674	230,769	52,416	-	-	-	-
Skybus	-	-	-	-	352,155	635,274	-	-	-	-	-
Independence Air	-	-	-	-	-	-	969	94,074	39,415	-	-
Trans World	-	-	-	-	-	-	-	-	-	-	-
Midway	-	-	-	-	-	-	-	-	-	-	-
Commercial Total	99.75%	6,362,406	6,345,997	6,211,659	6,874,053	7,673,981	6,691,815	6,570,769	6,196,729	6,211,548	6,707,147
Scheduled	0.11%	7,154	6,840	6,915	18,383	26,767	29,414	31,213	17,720	13,916	3,554
Non-Scheduled	0.14%	9,162	13,354	14,911	17,609	18,592	12,761	9,593	17,883	26,769	30,234
Charter Total	0.25%	16,316	20,194	21,826	35,992	45,359	42,175	40,806	35,603	40,685	33,788
Total Passenger	100.00%	6,378,722	6,366,191	6,233,485	6,910,045	7,719,340	6,733,990	6,611,575	6,232,332	6,252,233	6,740,935

Source: The Authority's Accounting Department

(1) Northwest was merged into Delta In January 2010

(2) US Airways and America West merged operations on 9/27/2005. The surviving company was renamed US Airways Group.

Top Ten Customers

	% of 2011 Operating Revenue	2011 Revenue	2002 Revenue
Southwest Airlines	9.6%	\$ 7,457,000	\$ 2,009,000
Delta Air Lines	6.2%	\$ 4,815,000	\$ 1,079,000
American Airlines	3.5%	\$ 2,676,000	\$ 2,174,000
US Airways Group Inc.	3.4%	\$ 2,644,000	\$ 2,327,000
Byers Enterprises	3.2%	\$ 2,508,000	\$ 2,228,000
United Airlines Inc.	2.7%	\$ 2,127,000	\$ 1,507,000
Avis Rent-A-Car	2.7%	\$ 2,091,000	\$ 2,126,000
Airtran Airways	2.5%	\$ 1,901,000	\$ -
Host International, Inc. (Anton's Airfood, Inc.)	2.4%	\$ 1,847,000	\$ 1,151,000
American Eagle Airlines	1.8%	\$ 1,380,000	\$ 565,000
Remainder	62.0%	\$ 48,004,000	\$ 35,274,000
Total Operating Revenue	100.0%	\$ 77,450,000	\$ 50,440,000

Source: The Authority's Accounting Department

Budgeted Employees by Department For the Ten Years Ended December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administration	6	5	4	4	4	4	4	4	5	3
Airfield Services	79	75	82	82	80	79	77	77	74	60
Business Development & Communications	14	15	13	16	16	17	16	17	14	8
Facilities & Custodial	105	101	103	109	105	105	104	108	111	114
Finance, Accounting & Legal	28	27	27	30	30	29	28	28	32	26
People Services	7	6	6	6	6	6	6	6	11	6
Technologies	10	9	8	8	7	7	6	6	6	5
Operations	32	29	35	40	33	32	30	28	32	17
Parking & Ground Transportation	12	11	11	11	11	7	7	7	6	6
Planning & Construction Administration	24	21	24	25	24	21	21	21	22	18
Public Safety	62	65	65	69	69	66	61	69	68	54
Real Estate	5	5	4	5	5	4	4	4	4	2
Total	384	369	382	405	390	377	364	375	385	319

Source: The Authority's Finance Department

Note: The Year 2003 was the first year which included LCK's data in the statistics

Largest Employers in the Greater Columbus Area

Ranked by number of full time employees

	% of Total 2011 Employment	2011	% of Total 2002 Employment	2002
1 State of Ohio	2.75%	24,415	3.23%	27,707
2 The Ohio State University	2.63%	23,286	1.99%	17,069
3 JPMorgan Chase & Co.	2.03%	18,000	1.33%	11,448
4 Nationwide	1.29%	11,419	1.22%	10,444
5 OhioHealth	1.27%	11,229	0.95%	8,158
6 City of Columbus	0.88%	7,781	1.03%	8,805
7 Columbus City School District	0.87%	7,734	1.02%	8,784
8 Honda of America Manufacturing Inc.	0.79%	7,000	0.76%	6,550
9 Franklin County	0.70%	6,178	0.80%	6,830
10 Limited Brands	0.68%	6,000	0.84%	7,200
11 Mount Carmel Health System	0.67%	5,978	0.57%	4,877
12 Kroger Co.	0.60%	5,321	0.69%	5,952
13 Huntington Bancshares Inc.	0.53%	4,689	0.41%	3,478
14 Nationwide Children's Hospital	0.51%	4,480	0.28%	2,366
15 Cardinal Health Inc.	0.47%	4,138	0.17%	1,500
16 American Electric Power Company Inc.	0.39%	3,486	0.44%	3,794
17 DLA Land and Maritime	0.34%	3,000	0.00%	-
18 Abercrombie & Fitch Co.	0.34%	2,998	0.00%	-
19 South-Western City Schools	0.27%	2,433	0.28%	2,381
20 Battelle	0.27%	2,367	0.24%	2,035
21 Alliance Data	0.23%	2,053	0.17%	1,500
22 Exel	0.21%	1,900	0.00%	-
23 State Farm Insurance	0.21%	1,854	0.20%	1,747
24 Dublin City Schools	0.21%	1,826	0.16%	1,406
25 Olentangy Local Schools	0.20%	1,812	0.00%	-
All Other Employers	80.66%	714,923	83.22%	714,169
Total Full Time Employees	100.00%	886,300	100.00%	858,200

Sources: *Business First*. December 9, 2011 and December 13, 2002 Issues
Ohio Department of Job and Family Services, Ohio Labor Market Information

Estimated Civilian Labor Force and Annual Average Unemployment Rates

For the Ten Years Ended December 31, 2011 (labor force in thousands)

Year	Franklin County		Columbus MSA ⁽¹⁾		Ohio		U.S.
	Labor Force ⁽²⁾	Unem- ployment Rate ⁽³⁾	Labor Force ⁽²⁾	Unem- ployment Rate ⁽³⁾	Labor Force ⁽²⁾	Unem- ployment Rate ⁽³⁾	Unem- ployment Rate ⁽³⁾
2011	622.9	7.6%	959.4	7.6%	5,862	8.8%	8.9%
2010	627.1	8.5%	966.7	8.6%	5,898	10.1%	9.6%
2009	627.3	8.2%	967.2	8.3%	5,936	10.1%	9.3%
2008	622.9	5.5%	962.1	5.6%	5,961	6.6%	5.8%
2007	617.7	4.7%	953.1	4.7%	5,961	5.6%	4.6%
2006	605.6	4.6%	937.2	4.7%	5,924	5.4%	4.6%
2005	598.8	5.2%	921.9	5.2%	5,882	5.9%	5.1%
2004	598.3	5.4%	914.1	5.4%	5,863	6.1%	5.5%
2003	599.3	5.3%	908.2	5.3%	5,860	6.2%	6.0%
2002	600.9	5.0%	902.9	5.0%	5,838	5.7%	5.8%

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

- (1) The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Franklin, Licking, Madison, Morrow, Pickaway and Union Counties.
- (2) Civilian labor force is the estimated number of persons 16 years of age and over, working or seeking work.
- (3) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force.

Population and Personal Income Statistics

For the Ten Years Ended December 31, 2011

	Franklin County			Columbus MSA ⁽¹⁾			Ohio			U.S.
	Personal Income (in thousands) ⁽²⁾	Population (in thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Personal Income (in thousands) ⁽²⁾	Population (in thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Personal Income (in thousands) ⁽²⁾	Population (in thousands) ⁽³⁾	Per Capita Personal Income ⁽⁴⁾	Per Capita Personal Income ⁽⁴⁾
2011	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
2010	\$46,308,066	1,173	\$39,473	\$70,608,782	1,841	\$38,361	\$417,375,992	11,536	\$36,180	\$39,945
2009	43,728,014	1,150	38,020	68,469,061	1,802	37,999	405,184,176	11,529	35,145	38,846
2008	44,250,461	1,136	38,965	68,776,539	1,780	38,642	419,071,388	11,515	36,392	40,947
2007	43,472,404	1,122	38,733	66,959,279	1,759	38,059	404,622,561	11,500	35,183	39,506
2006	42,629,889	1,111	38,370	64,306,009	1,737	37,018	390,456,866	11,481	34,008	37,725
2005	40,713,475	1,101	36,971	60,967,929	1,714	35,561	371,930,848	11,463	32,445	35,452
2004	39,329,760	1,096	35,876	58,549,685	1,696	34,517	361,666,420	11,452	31,580	33,909
2003	37,963,699	1,093	34,749	56,470,583	1,679	33,637	350,723,100	11,435	30,672	32,295
2002	37,135,476	1,087	34,152	54,855,896	1,659	33,059	340,514,125	11,408	29,849	31,481

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Income Division – September 2011
(Preliminary data which is subject to change)

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

(NA) Data not yet available for this year

- (1) The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Franklin, Licking, Madison, Morrow, Pickaway and Union Counties.
- (2) The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.
- (3) Census Bureau midyear population estimates. Estimates for 2002-2011 reflect county population estimates released on September 28, 2011.
- (4) Per capita personal income is total personal income divided by total midyear population.

compliance section

This section contains
the following subsections:

Independent Auditors' Report on Compliance

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Passenger Facility Charges

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

Schedule of Findings and Questioned Costs

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Columbus Regional Airport Authority
Columbus, Ohio:

We have audited the financial statements of the Columbus Regional Airport Authority (the “Authority”) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

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

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This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
March 8, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF PASSENGER FACILITY CHARGES

To the Board of Directors
Columbus Regional Airport Authority
Columbus, Ohio:

Compliance

We have audited the Columbus Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs and the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for the Authority's Passenger Facility Charge ("PFC") Program for the year ended December 31, 2011. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and its PFC Program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the Guide. Those standards, OMB Circular A-133, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and the PFC Program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

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 and its PFC Program for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and the PFC Program. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program and the PFC Program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and the PFC Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and the PFC Program will not be prevented, or detected and corrected, on a timely basis.

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

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

We have audited the financial statements of the Authority as of and for the year ended December 31, 2011, and have issued our report thereon dated March 8, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of passenger facility charges are presented for purposes of additional analysis as required by OMB Circular A-133 and the Guide 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
March 8, 2012

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Federal Expenditures
DEPARTMENT OF TRANSPORTATION:				
Direct:				
Federal Aviation Administration -				
Airport Improvement Program (AIP):				
	20.106			
Expand East Apron Deicing		3-39-0025-69	\$ 2	\$ -
Update Airport Layout Plan		3-39-0025-70	7,952	7,952
Replacement Runway Projects		3-39-0025-73	5,598,239	5,598,241
Replacement Runway Projects		3-39-0025-74	1,339,260	1,339,261
Replacement Runway Projects		3-39-0025-75	10,706,931	10,706,932
Replacement Runway Projects		3-39-0025-76	1,625,874	1,625,874
Noise Mitigation for 69 Homes		3-39-0025-77	918,915	1,427,106
Install Emergency Generator		3-39-0026-20	1	-
Approach Obstruction Identification		3-39-0026-21	120,386	133,151
Air Cargo Terminal #4, Exhibit A & ALP		3-39-0117-35	6,809	6,810
Rehabilitate Runway 5R/23L		3-39-0117-38	625,005	625,009
SubTotal Federal Aviation Administration			20,949,374	21,470,336
Pass Through:				
Ohio Dept. of Transportation-				
ARRA - Highway Planning & Construction	20.205	LPA#21456	5,457,489	5,494,019
Highway Planning & Construction	20.205	LPA#22625	400,000	637,295
Subtotal Ohio Department of Transportation			5,857,489	6,131,314
TOTAL DEPARTMENT OF TRANSPORTATION			26,806,863	27,601,650
DEPARTMENT OF JUSTICE:				
Direct:				
Drug Enforcement Agency -				
Equitable Sharing Agreement	16.000	N/A	217,486	319,503
TOTAL DEPARTMENT OF JUSTICE			217,486	319,503
DEPARTMENT OF ENERGY:				
ARRA - Conservation Research & Development	81.086	DE-EE0002566	88,000	44,000
TOTAL DEPARTMENT OF ENERGY			88,000	44,000
DEPARTMENT OF HOMELAND SECURITY:				
Direct:				
ARRA - TSA Airport Checked Baggage				
Inspection System Program	97.117	HSTS0409HREC170	10,697,436	15,256,608
Pass Through:				
Ohio Emergency Management Agency -				
Non-Profit Security Program	97.008	2009-UASI-16/17	500,000	733,757
Homeland Security Grant Program	97.067	2009-SS-T9-0089	72,750	72,750
TOTAL DEPARTMENT OF HOMELAND SECURITY			11,270,186	16,063,115
TOTAL FEDERAL AWARDS			\$ 38,382,535	\$ 44,028,268

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

Schedule of Expenditures of Passenger Facility Charges
For the Year Ended December 31, 2011

Program	Receipts	Expenditures
Passenger Facility Charges	<u>\$12,690,988</u>	<u>\$32,274,151</u>

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

Notes to Schedule of Expenditures of Federal Awards
and Schedule of Passenger Facility Charges
For the Year Ended December 31, 2011

1. Summary of Significant Accounting Policies

General – The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges present the activity of all federal assistance programs of the Columbus Regional Airport Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

2. Basis of Accounting

Basis of Accounting – The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligations are incurred.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2011

Part I – Summary of Auditors' Results

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. No significant deficiencies or material weaknesses in internal control over financial reporting were identified.
3. No instance of noncompliance considered material to the financial statements was disclosed.
4. No significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings, which are required to be reported by OMB Circular A-133.
7. The organization's major programs were:
 - ARRA – Highway Planning & Construction (CFDA #20.205);
 - ARRA – TSA Airport Checked Baggage Inspection System Program (CFDA #97.117).
8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,320,848.
9. The Auditee did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II – Financial Statement Findings Section

No matters were noted.

Part III – Federal Award Findings and Questioned Cost Section

No matters were noted.







COLUMBUS REGIONAL
AIRPORT AUTHORITY

4600 International Gateway | Columbus, Ohio 43219 USA | ColumbusAirports.com



Dave Yost • Auditor of State

COLUMBUS REGIONAL AIRPORT AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 14, 2012**