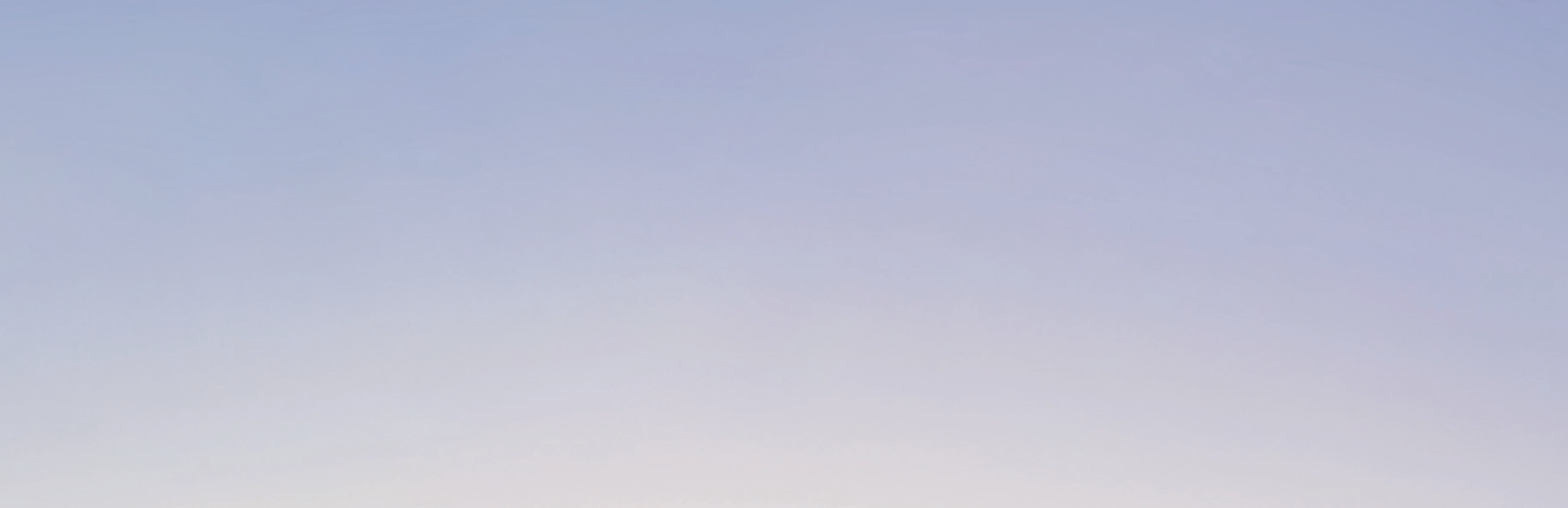

Comprehensive Annual Financial Report

Columbus Regional Airport Authority
Columbus, Ohio
For the Years Ended December 31, 2017 and 2016

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Columbus Regional Airport Authority, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2017 through December 31, 2017. 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.

Dave Yost
Auditor of State

May 15, 2018

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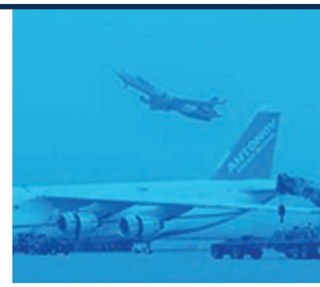

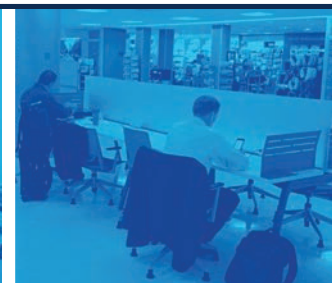


Baggage Claim
Ground Transportation

Comprehensive Annual Financial Report

Columbus Regional Airport Authority
Columbus, Ohio
For the Years Ended December 31, 2017 and 2016

Prepared by:

Randy Bush, CPA, CGMA, CIA
Chief Financial Officer

Paul Streitenberger, CPA, CGMA
Director, Accounting & Finance

Table of Contents

Introductory Section:

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

Financial Section:

Independent Auditor's Report . . . 14-16
Management's Discussion and Analysis . . . 17-27
Basic Financial Statements:
Statements of Net Position . . . 28-29
Statements of Revenues, Expenses, and Changes in Net Position . . . 30
Statements of Cash Flows . . . 31
Notes to Financial Statements . . . 32-60
Required Supplementary Information:
Supplemental Schedule of the Authority's Proportionate Share of the Net Pension Liability . . . 61
Supplemental Schedule of the Authority's Pension Contributions . . . 62
Notes to Required Supplementary Information . . . 63
Supplemental Schedule of Revenues and Expenses: Budget vs. Actual - Budget Basis . . . 64

Statistical Section:

Financial Trends and Revenue Capacity:
Revenues and Expenses by Type . . . 66
Revenues and Expenses by Area . . . 67
Total Annual Revenues, Expenses, and Changes in Net Position . . . 68
Statements of Net Position . . . 69
Schedule of Insurance in Force . . . 70
Debt Capacity:
Ratios of Outstanding Debt . . . 71
Schedule of Debt and Obligation Coverages . . . 72
Operating Information:
Capital Asset Statistics By Function . . . 73
Air Commerce Trends – John Glenn Columbus International Airport . . . 74
Air Commerce Trends – Rickenbacker International Airport . . . 75
Airline Cost Per Enplaned Passenger – John Glenn Columbus International Airport . . . 76
Air Carrier Market Shares – John Glenn Columbus International Airport . . . 77
Economic and Demographic Information:
Top Ten Customers . . . 78
Budgeted Employees By Department . . . 79
Largest Employers in the Greater Columbus Area . . . 80
Estimated Civilian Labor Force and Annual Average Unemployment Rates . . . 81
Population and Personal Income Statistics . . . 82

Compliance Section:

Independent Auditor's Report on Compliance . . . 84-88
Schedule of Expenditures of Federal Awards . . . 89
Schedule of Expenditures of Passenger Facility Charges . . . 90
Notes to Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges . . . 91
Schedule of Findings and Questioned Costs . . . 92

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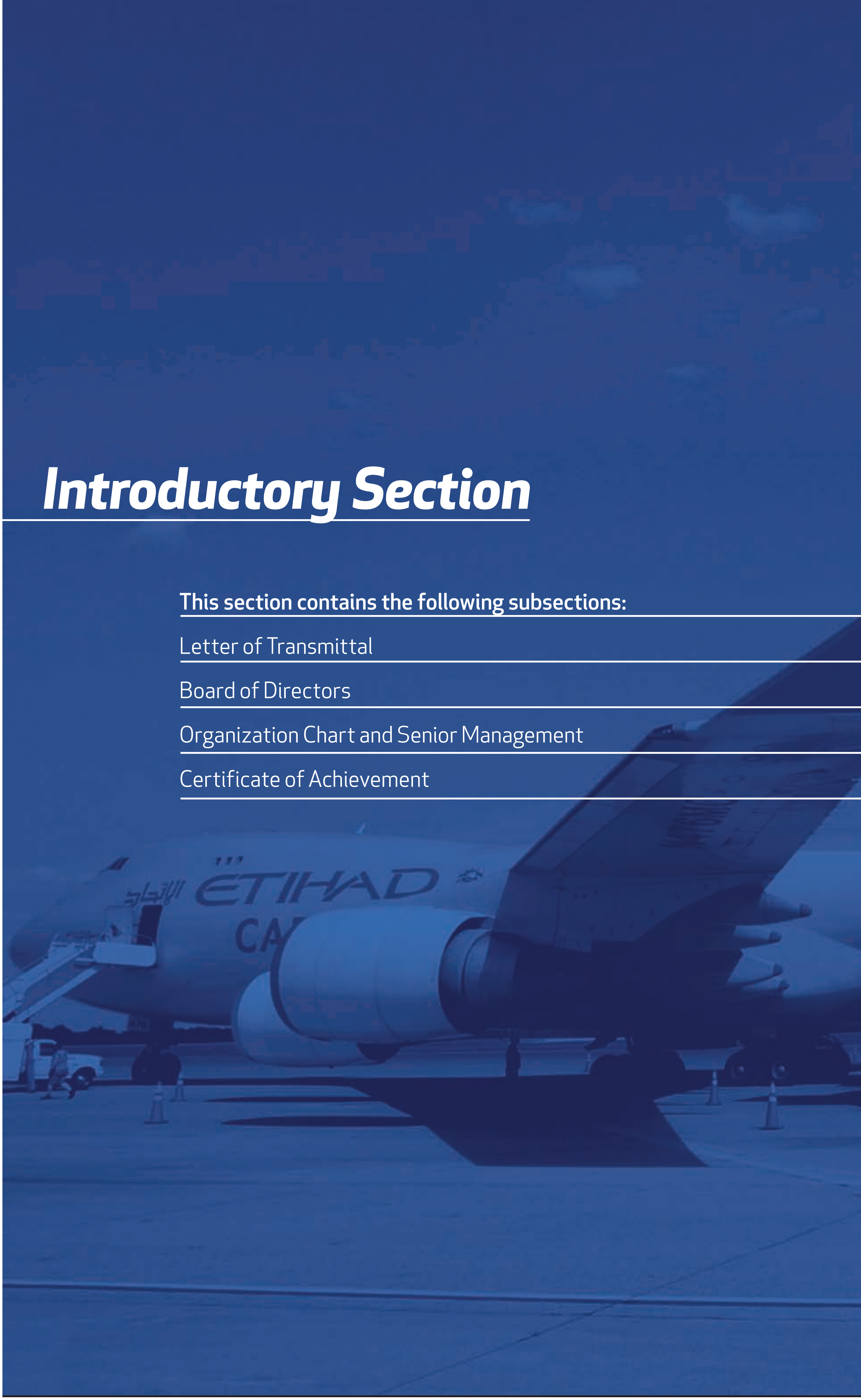

Introductory Section

This section contains the following subsections:

Letter of Transmittal

Board of Directors

Organization Chart and Senior Management

Certificate of Achievement

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COLUMBUS
REGIONAL AIRPORT AUTHORITY

April 24, 2018

To the Board ***of Directors***

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the years ended December 31, 2017 and 2016 is proudly prepared and presented by your Accounting/Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the community we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the years ending December 31, 2017, 2016 and 2015 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 2017 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 and received title to the airport property relating to the use agreement. Additional information describing this event may be found in the Overview of the Financial Statements section of the MD&A and in Note 1 to the financial statements.

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

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

Economic *Conditions and Outlook*

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

The economy of the Greater Columbus area, including Franklin County and the ten surrounding counties, has encountered better than expected economic improvement compared to the State of Ohio and the nation in 2017. The 2017 average preliminary unemployment rate as of the December report provided by the U.S. Bureau of Labor Statistics of 4.0% was below that of Ohio (5.0%) and the United States (4.4%). A balance among manufacturing, education and health services, technology, retail, research, government and financial activities has helped the Columbus economy to better survive periods of slow growth. Unlike most other large 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 Ohio State University, State of Ohio, Kroger Co., Ohio Health, JPMorgan Chase & Co., and Nationwide Mutual Insurance Co. – is representative of the local economy as a whole. The variety represented by these six employers, which together account for more than 130,000 jobs in Central Ohio, assures that the local economy can withstand some economic slowdowns.

John Glenn International serves 36 airports with up to 149 daily departures by 6 airlines. In 2017, the Authority served over 7.5 million passengers, up 3.4% from the previous year. Additional data can be found in the Statistical Section of this CAFR.

Meanwhile, 256.0 million pounds of cargo moved through the Rickenbacker Inland Port in 2017 as compared to 202.2 million pounds in 2016. In 2017, 266,624 total passengers used the Rickenbacker Charter Terminal as compared to 203,269 in 2016. Furthermore, contributing to increased cargo activity at Rickenbacker is the continued increase in frequency of scheduled freighter service by major multinational carriers.

Initiatives and ***Development***

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

During 2017, more than 7.5 million passengers traveled through John Glenn International Airport (CMH), up 3.4% from 2016, making it the airport's second busiest year in history. Southwest Airlines who celebrated 25 years of operating from CMH in June, contributed to the growth by adding weekly service to New Orleans, seasonal nonstop service to Houston, and nonstop service to Cancun. Frontier also increased its presence by adding nonstop service to Austin, seasonal service to Fort Myers, and Tampa. New carriers are making a commitment to our region's growing economy with the addition of OneJet in November who specializes in meeting the needs of business travelers started twice daily nonstop service to Milwaukee, Wisconsin in November and Spirit Airlines an ultra-low-cost carrier started daily seasonal non-stop flights to seven U.S. cities in February 2018. Also in 2017, CMH was recognized as the Most Improved Airport in North America per passengers polled in Airports Council International's 2016 Airport Service Quality survey which is attributed to the completion of the $80 million terminal modernization.

2017 was one of the best on record for Rickenbacker International Airport (LCK) and Rickenbacker Inland Port. International exports increased 147% from 2016, showing more of our partners are realizing the value of shipping goods out of LCK. Major multinational carriers continued to increase the frequency of scheduled freighter service including Etihad Cargo, which increased to three weekly flights thanks to its partnership with Trinity Logistics USA. The freighter dedicated airport has increasingly become a charter destination of choice, bringing new commodities from origins such as Shanghai and Vietnam. We strengthened our commitment to animal transportation by initiating a new on airport Export Inspection Facility set for completion in mid-2018. In addition, the Rickenbacker Global Logistics Park continues to experience industrial development growth. In partnership with the Authority, Duke Realty will build a new 673,920-square-foot warehouse on the rail campus of the Rickenbacker Global Logistics Park providing prime rail and roadside access. In addition, there are a number of efforts underway at year end that could trigger continued growth of the Park in 2018. This continued growth demonstrates our dedication in providing faster speed to market and lower costs for domestic and global supply chains.

In 2017, the Authority also completed a two year effort to update our plans for a future Midfield Development Program at John Glen International Airport. This program includes the construction of a new terminal building, associated roadway improvements, airside improvements including new aircraft parking areas and taxiway improvements, public parking and rental car facilities, fuel farm upgrades and a new hotel. This program will be implemented in two primary phases. The first phase includes the construction of a new Consolidated Rental Car Facility (CONRAC) which will be located adjacent to the planned location for the new terminal. The remaining components of this program will be constructed when demand for these facilities is needed.

Internal *Control Framework*

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

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

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

Budgetary *Controls and Policies*

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

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

Activity *Highlights*

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

	2017	2016	% Change
Airline Cost	$ 29,611,183	$ 26,236,120	12.9
Enplanements	3,784,507	3,658,705	3.4
Cost Per Enplaned Passenger	$ 7.82	$ 7.17	9.1

Throughout its existence the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers, tenants and visitors. It also has diligently controlled the costs passed on to its family of airlines. Airline cost per enplaned passenger (CPE) — the standard employed by the air carriers to determine the relative cost of operating at an airport — is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. For 2016 and 2015, the airline CPE at John Glenn International has remained competitive at $7.21 and $7.54 respectively. CPE continues to compare favorably with other medium hub airports, further reinforcing John Glenn International's reputation as a cost effective, airline-friendly facility.

Independent ***Audit***

The Authority's independent auditing firm, Plante & Moran, PLLC, has rendered an unmodified opinion that the Authority's financial statements for December 31, 2017 and 2016 and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Plante & Moran, PLLC, met the requirements set forth by the State of Ohio and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). The independent auditor's reports issued based upon work performed in accordance with those requirements noted no instances of noncompliance by the Authority with any applicable state or federal laws or regulations or other matters that are required to be reported for the fiscal year ended December 31, 2017. 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, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

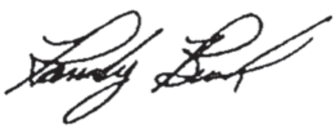
A Certificate of Achievement is valid for a period of one year only. The Authority has received this prestigious award for the last twenty-five consecutive years, ended December 31, 2016. This is a reflection of the experienced and passionate Accounting/Finance team here at the Authority and their desire to provide outstanding information to our community. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

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

Respectfully submitted,



Randy Bush, CPA, CGMA

Chief Financial Officer

Board of **Directors**

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Susan Tomasky
President - Retired
AEP Transmission American Electric Power

Vice Chair

William R. Heifner
President
Renier Construction

Directors

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President & Owner
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Frank J. Cipriano
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Land Network

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Partner-in-Charge
Jones Group

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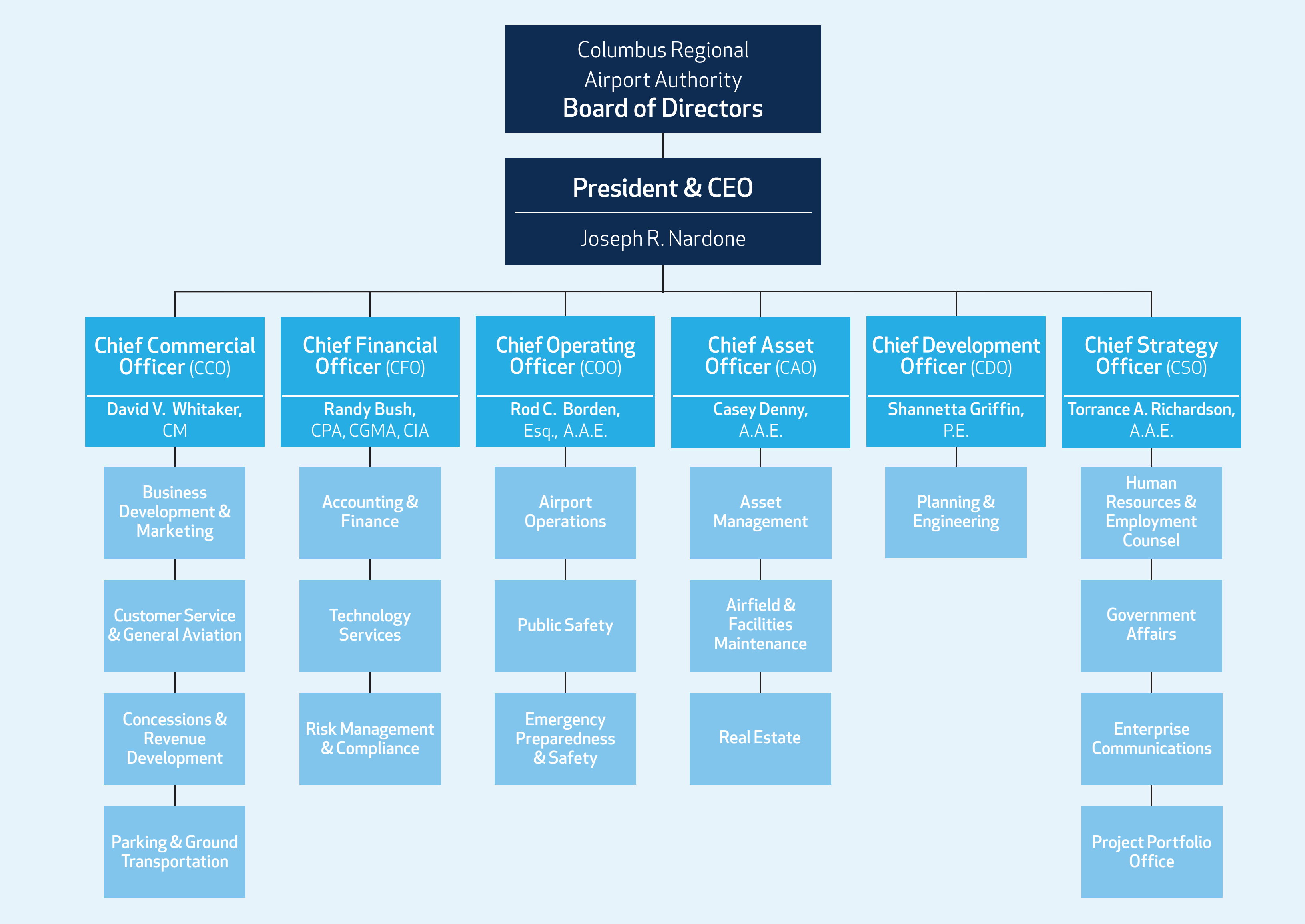
President & CEO
Central Ohio Fifth Third Bank

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

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

Terrance Williams
Executive Vice President
Chief Marketing Officer
Nationwide

Organization Chart
and Senior Management



Senior ***Management***

Kristen A. Easterday Director, Government Affairs

Dennis E. Finch Director, Asset Management - Airfield

Ronald Gray Director, Public Safety/Chief of Police

Charles J. Goodwin, A.A.E. Director, Airport Operations

James W. Lizotte, PMP Director, Technology Services

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

Brian J. Sarkis Vice President, Planning & Engineering

Kevin Shirer, A.A.E. Director, Asset Management Operations & Systems

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

Amanda L. Wickline, Esq. Director, Human Resources & Employment Counsel

Government Finance Officers Association

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, 2016

Christopher P. Morrill

Executive Director/CEO

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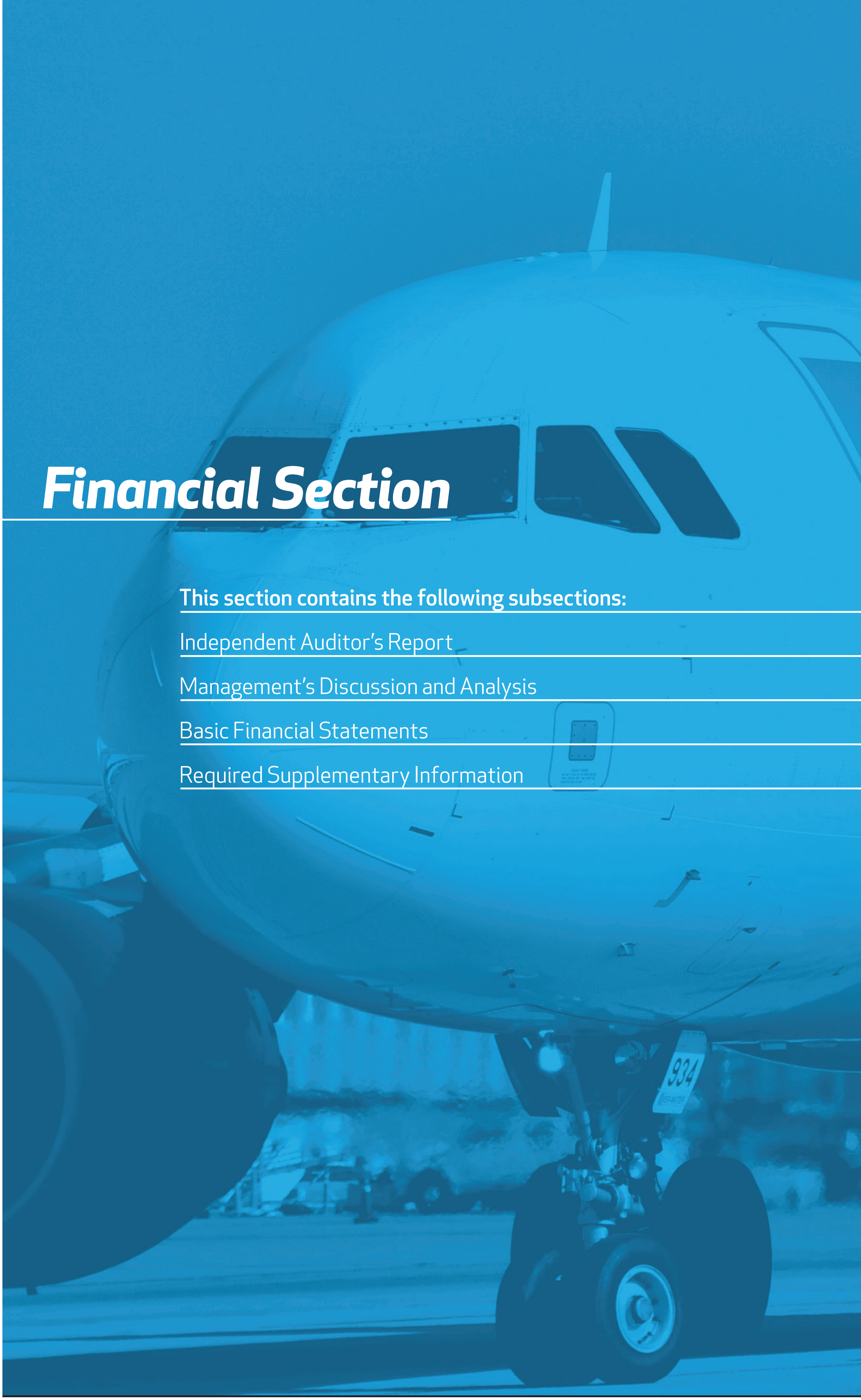

Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

Report on the Financial Statements

We have audited the accompanying basic financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the years ended December 31, 2017 and 2016 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Columbus Regional Airport Authority

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Columbus Regional Airport Authority as of December 31, 2017 and 2016 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2018 on our consideration of Columbus Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus Regional Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 20, 2018

Management's Discussion and Analysis

The following unaudited Management's Discussion and Analysis (MD&A) of the Columbus Regional Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2017 and 2016. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

Overview of the *Financial Statements*

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

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

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

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

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

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

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

Significant *Events*

John Glenn and Rickenbacker airports experience continued growth during 2017

John Glenn Columbus International Airport (CMH) and Rickenbacker International Airport (LCK) helped drive the growth of Columbus, the fastest-growing metropolitan area in the Midwest, with expanded flights for both passengers and cargo. Passengers at CMH and LCK totaled 7.8 million, with more than 7.5 million passengers traveling through CMH in 2017, up 3.4 percent from 2016 making it the airport's second busiest year in history. While more than 255 million pounds of cargo flew through LCK in 2017, which represents a nearly 27 percent increase from 2016.

John Glenn International Airport named most improved airport in North America

John Glenn Columbus International Airport has been named the most improved airport in North American for 2016 by the trade organization Airports Council International. The award is part of the group's annual Airport Service Quality award program, recognizing airports with high customer satisfaction.

Walking Lot opens at John Glenn International

The growing number of John Glenn International customers, will enjoy ease and convenience of the close-in 296-space fully automated Walking Lot. Less than a 5-minute walk to the terminal doors no shuttle buses serve this lot. Instead Walking Lot customers arrive at the terminal under their own power and in control of their own airport arrival schedule.

Financial *Highlights*

The Authority's overall financial position improved during 2017 as evidenced by our continued growth in total net position and the reduction in outstanding debt as well as our continued strong liquidity position.

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

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

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

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

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

A summary of the Authority's financial highlights for the year 2016 is as follows:

The Authority's Total Assets increased $24.0 million over 2015. Current Assets increased $25.6 million as a result of increased cash and equivalents and short term investments. Non-Current Assets (Unrestricted and Restricted) decreased $1.6 million primarily due to decreased unrestricted long term investments and investments in Capital Assets offset by an increase in restricted investments.

Total Liabilities decreased $2.7 million over 2015. The decrease is primarily the result of a decrease in long-term debt related to the Airport Refunding Revenue Bonds, Series 2016.

Total 2016 Operating Revenues were unfavorable to budget by $973,259 related to a decrease in parking and airline revenue offset by an increase in other income. Compared to 2015, total Operating Revenues increased $8.3 million. The increase is primarily a result of higher revenue received from parking, hotel and concessions.

Total 2016 Operating Expenses were unfavorable to budget by $2.2 million as a result of increased employee wages & benefits and purchase of services offset by a decrease in material and supplies. Compared to 2015, Operating Expenses increased $8.5 million. The increase is primarily a result of an increase associated with employee wages & benefits and purchased services.

Financial **Position**

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

*The information necessary to restate 2014 net position for the effects of the initial implementation of GASB 68 and 71 is not available from OPERS.

	Dollars in 000's			% Change	
	2017	2016	2015	2017	2016
ASSETS					
Current Assets — Unrestricted	$ 71,541	$ 75,994	$ 50,362	-5.9	50.9
Capital Assets	758,463	760,733	758,904	-0.3	0.2
Other Non-Current Assets — Unrestricted	34,091	29,858	37,607	14.2	-20.6
Other Non-Current Assets — Restricted	83,747	70,702	66,385	18.5	6.5
Total Assets	**947,842**	**937,287**	**913,258**	**1.1**	**2.6**
DEFERRED OUTFLOWS OF RESOURCES					
Bond Refunding and Pensions	16,904	12,027	5,728	40.6	110.0
Total Deferred Outflows of Resources	**16,904**	**12,027**	**5,728**	**40.6**	**110.0**
LIABILITIES					
Current Liabilities — Unrestricted	26,994	28,323	24,145	-4.7	17.3
Long-Term Liabilities — Restricted	20,151	19,385	10,961	4.0	76.9
Long-Term Liabilities — Unrestricted	113,037	116,965	132,250	-3.4	-11.6
Total Liabilities	**160,182**	**164,673**	**167,356**	**-2.7**	**-1.6**
DEFERRED INFLOWS OF RESOURCES					
Bond Refunding and Pensions	678	1,028	379	-34.0	171.2
Total Deferred Inflows of Resources	**678**	**1,028**	**379**	**-34.0**	**171.2**
NET POSITION					
Net Investment in Capital Assets	667,630	660,463	649,278	1.1	1.7
Net Position — Restricted	83,063	70,192	65,276	18.3	7.5
Net Position — Unrestricted	53,193	52,958	36,697	0.4	44.3
Total Net Position	**$ 803,886**	**$ 783,613**	**$ 751,251**	**2.6**	**4.3**

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

The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by $803.9 million, a $20.3 million increase over December 31, 2016. The largest portion of the Authority's net position each year ($667.3 million or 83.05% at December 31, 2017) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the

Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

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

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

An analysis of significant changes in assets, deferred outflows, liabilities, deferred inflows and net position for the year 2016 is as follows:

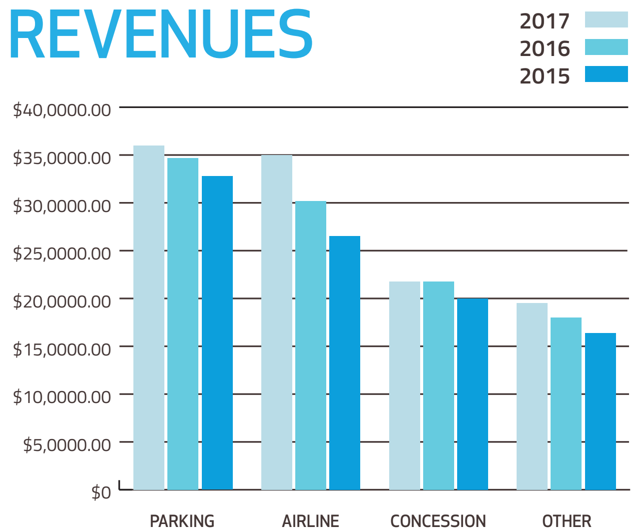
The Authority's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by $783.6 million, a $32.4 million increase over December 31, 2015. The largest portion of the Authority's net position each year ($660.5 million or 84.3% at December 31, 2016) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position ($70.2 million or 9.0% at December 31, 2016) represents resources that are restricted for the funding of bond reserves and capital projects. These resources are not available for new spending because they have already been committed to fund bond reserves and capital projects.

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

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

	Dollars in 000's			% Change	
	2017	2016	2015	2017	2016
Parking Revenue	$ 36,006	$ 34,821	$ 32,880	3.4	5.9
Airline Revenue	35,125	30,215	26,608	16.3	13.6
Concession Revenue	21,800	21,791	20,122	0.0	8.3
Cargo Operations Revenue	6,488	5,338	5,478	21.5	-2.6
Hotel Operations Revenue	4,492	4,605	4,094	-2.5	12.5
General Aviation Revenue	3,524	3,276	3,205	7.6	2.2
Foreign Trade Zone Fees	320	326	307	-1.8	6.2
Other Revenue	4,820	3,846	3,185	25.3	20.8
Total Operating Revenues	**$ 112,575**	**$ 104,218**	**$ 95,879**	**8.0**	**8.7**



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

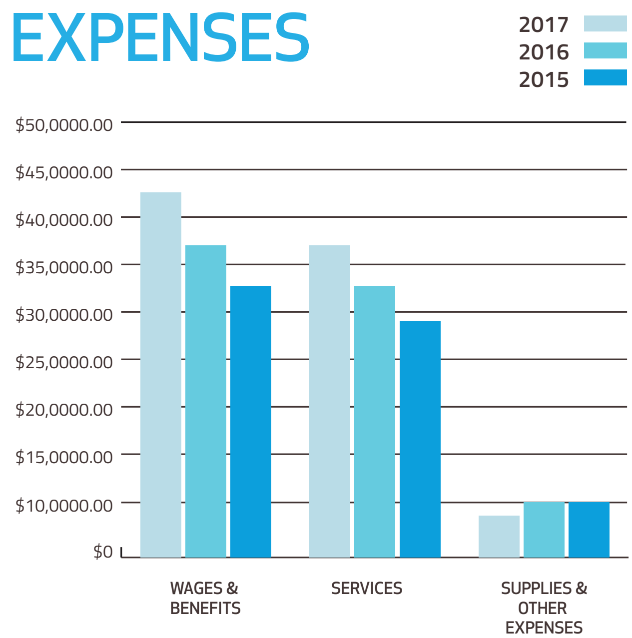
- Airline Revenue increased $4.9 million or 16.3%. This increase is related to an increase in landing fees and rental rates offset by a decrease in airline credits over 2016.
- Cargo Operations Revenue increased $1.2 million or 21.5%. This is the result of increased landing fees and fuel fees over 2016.

An analysis of significant changes in revenues for the year 2016 is as follows:

- Airline Revenue increased $3.6 million or 13.6%. This increase is related to an increase in landing fees over 2015.
- Hotel Operations Revenue increased $0.05 million or 12.5%. This is the result of increased occupancy over 2015.

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

	Dollars in 000's			% Change	
	2017	2016	2015	2017	2016
Employee Wages & Benefits	$ 42,287	$ 37,606	$ 33,005	12.4	13.9
Purchase of Services	35,126	31,138	27,349	12.8	13.9
Materials & Supplies	3,964	4,607	4,909	-14.0	-6.2
Hotel Services	2,487	2,437	2,149	2.1	13.4
Other Expenses	25	138	63	-81.9	119.0
Total Operating Expenses	**$ 83,889**	**$ 75,926**	**$ 67,475**	**10.5**	**12.5**



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

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

An analysis of significant changes in expenses for the year 2016 is as follows:

- Employee Wages & Benefits increased by $4.6 million or 13.9% due to increased pension expense related to GASB 68.
- Purchased Services increased by $3.8 million or 13.9% due to increased contract labor related to ground handling services at Rickenbacker Inland Port and increased legal services over 2015.

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

	Dollars in 000's			% Change	
	2017	2016	2015	2017	2016
Total Operating Revenues	$ 112,576	$ 104,218	$ 95,879	8.0	8.7
Total Operating Expenses	(83,888)	(75,925)	(67,475)	10.5	12.5
Operating Income before Depreciation	28,688	28,293	28,404	1.4	-0.4
Depreciation	(46,107)	(44,160)	(42,811)	4.4	3.2
Operating Loss	(17,419)	(15,867)	(14,407)	9.8	10.1
Investment Income	986	662	475	48.9	39.4
Passenger Facility Charges	14,802	14,436	13,576	2.5	6.3
Rental Car Facility Charges	10,582	9,768	7,876	8.3	24.0
Interest Expense	(1,782)	(3,477)	(2,747)	-48.7	26.6
Loss on Securities	(232)	(170)	(65)	36.5	161.5
Amortization of Deferred Charges	58	(158)	(185)	-193.7	-14.6
Gain (Loss) on Disposal of Assets	1,303	7,768	1,272	-83.2	510.7
Other Non-Operating Revenue	640	394	530	39.6	-25.7
Income (Loss) before Capital Contributions	**8,938**	**13,356**	**6,325**	**-33.1**	**111.2**
Capital Contributions	11,335	19,006	2,089	-40.4	809.8
Increase in Net Position	**20,273**	**32,362**	**8,414**	**-37.4**	**284.6**
Net Position - Beginning of Year	783,613	751,251	758,949	4.3	-1.0
Restatement for GASB 68 & 71	-	-	(16,112)	-	-
Net Position - End of Year	**$ 803,886**	**$ 783,613**	**$ 751,251**	**2.6**	**4.3**

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

- Interest Expense decreased by $1.7 million or 48.7% related to the refunding of revenue bonds, series 2007 in late 2016.

- Capital Contributions from federal and state funding sources decreased by $7.7 million or 40.4% due to the completion of north runway and jetbridge related projects at John Glenn International.

An analysis of significant changes in net position for the year 2016 is as follows:

- Gain on Disposal of Assets increased by $6.5 million or 510.7% related to the sale of land at Rickenbacker Inland Port.

- Capital Contributions from federal and state funding sources increased by $16.9 million or 809.8% related to the terminal modernization program at John Glenn International.

Capital *Assets*

The Authority's capital assets as of December 31, 2017, totaled $758.5 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 2017 was 3.05% or $41.1 million.

Major capital projects in progress and expenditures incurred during 2017 included the following:

TWY Rehab & MOS Improvements - CMH	$ 6,798,115
RTR C Site Relocation - CMH	5,583,623
Curb Front Improvements - CMH	4,914,680
Snow Removal & AFM Equipment - CMH	4,334,356
Consolidated Rental Car Facility - CMH	3,971,042
Runway 4-22 Rehabilitation - TZR	2,116,313

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

Debt *Administration*

Airport Refunding Revenue Bonds, Series 2013AB

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

The balance outstanding as of December 31, 2017 was $8,367,771.

Airport Refunding Revenue Bonds, Series 2015 (AMT)

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

The balance outstanding as of December 31, 2017 was $35,133,422.

Airport Refunding Revenue Bonds, Series 2016

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

The balance outstanding as of December 31, 2017 was $37,481,915. Bond principal and interest are paid from the general revenues of the Authority. Additional details may be found in Note 8 of the accompanying notes.

Passenger Facility Charge *(PFC)*

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of $3.00 per enplaned passenger. In January 2002, the FAA approved the Authority's request to increase the PFC level to $4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. In 2007, the Authority received approval to collect on its application effective December 26, 2007, in the amount of $71.1 million. The newest application, which was approved on January 28, 2011 adds an additional $185.0 million to the collectible amount and will extend the collection date to July 1, 2020. Through December 31, 2017, the Authority has collected PFCs, including interest earnings thereon, totaling $314.8 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, 2015 through December 31, 2019. Landing fees and terminal rental rates for non-signatory airlines are assessed at 150 percent of the signatory rates.

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

				% Change	
	2017	2016	2015	2017	2016
Landing Fees - Net of General Airline Credit (per 1,000 lbs)	$ 2.37	$ 2.77	$ 3.21	-14.4	-13.7
Terminal Rental Rate (Average)	73.70	73.15	69.06	0.8	5.9
Apron Fee - Square Foot Rate Component	1.77	2.28	2.33	-22.4	-2.1
Apron Fee - Landed Weight Rate Component (per 1,000 lbs)	0.36	0.47	0.52	-23.4	-9.6

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

LCK landing fees were as follows:

				% Change	
	2017	2016	2015	2017	2016
Landing Fees (per 1,000 lbs)	$ 3.03	$ 2.83	$ 2.69	7.1	5.2

Request *for Information*

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

Statements of Net Position

As of December 31, 2017 and 2016

ASSETS	2017	2016
Current Assets - Unrestricted		
Cash & Cash Equivalents	$ 40,112,498	$ 40,699,567
Other Investments	8,190,922	12,072,825
Accounts Receivable - Trade & Capital Grants, Net	18,114,244	19,346,347
Accounts Receivable - Other	1,966,700	699,939
Interest Receivable	216,582	200,507
Deposits, Prepaid Items, & Other	2,940,254	2,947,525
Total Current Assets	**71,541,200**	**75,993,710**
Non-Current Assets - Unrestricted		
Other Investments	33,585,717	29,385,968
Accounts Receivable - Other	295,177	287,418
Net Pension Asset	210,007	184,887
Land	95,088,175	97,301,692
Construction in Progress	30,161,781	10,302,678
Depreciable Capital Assets, Net of Accumulated Depreciation	633,213,253	653,128,238
Total Non-Current Assets - Unrestricted	792,554,110	790,590,881
Non-Current Assets - Restricted		
Cash & Cash Equivalents	21,428,023	10,897,623
Other Investments	62,319,435	59,804,557
Total Non-Current Assets - Restricted	83,747,458	70,702,180
Total Non-Current Assets	**876,301,568**	**861,293,061**
Total Assets	**947,842,768**	**937,286,771**
DEFERRED OUTFLOWS OF RESOURCES		
Ohio Public Employees Retirement System - Traditional Plan	12,830,896	8,191,273
Ohio Public Employees Retirement System - Combined Plan	103,996	79,710
Ohio Public Employees Retirement System Member-Directed Plan	21,164	-
Ohio Public Employees Retirement System Contributions - All Plans	3,947,490	3,755,829
Total Pensions	16,903,546	12,026,812
Total Deferred Outflows of Resources	**$ 16,903,546**	**$ 12,026,812**

See accompanying notes to the financial statements

Statements of Net Position

As of December 31, 2017 and 2016 *(continued)*

LIABILITIES	2017	2016
Current Liabilities - Unrestricted		
Accounts Payable - Trade	$ 8,511,878	$ 7,110,907
Accrued Interest Payable	134,806	149,319
Accrued & Withheld Employee Benefits	7,151,594	6,296,465
Unearned Rent	363,531	508,526
Customer Deposits & Other	429,592	446,728
Other Accrued Expenses	10,402,748	13,807,890
Total Current Liabilities	**26,994,149**	**28,319,835**
Long-Term Liabilities		
Payable From Restricted Assets - Due Within 1 Year		
Retainages on Construction Contracts	684,939	509,992
Current Portion of Long-Term Debt	9,966,491	9,378,367
Revolving Bank Loan	9,500,000	9,500,000
Total Payable From Restricted Assets - Due Within 1 Year	20,151,430	19,388,359
Payable From Unrestricted Assets - Due in More Than 1 Year		
Compensated Absences	1,285,566	1,703,439
Unearned Rent	2,069,310	6,361,861
Net Pension Liability	38,665,876	27,915,973
Long-Term Debt, Less Current Portion, Net	71,016,616	80,983,107
Total Payable From Restricted Assets - Due in More Than 1 Year	113,037,368	116,964,380
Total Long-Term Liabilities	**133,188,798**	**136,352,739**
Total Liabilities	**160,182,947**	**164,672,574**
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Bond Refunding		
(Net of Accumulated Amortization of $58,282 in 2017and $0 in 2016)	349,695	407,977
Pensions:		
Ohio Public Employees Retirement System - Traditional Plan	217,326	536,013
Ohio Public Employees Retirement System - Combined Plan	108,042	83,680
Ohio Public Employees Retirement System - Member-Directed Plan	2,507	-
Total Pensions	327,875	619,693
Total Deferred Inflows of Resources	**677,570**	**1,027,670**
NET POSITION		
Net Investment in Capital Assets	667,630,407	660,463,157
Restricted:		
Passenger Facility Charges	15,593,206	4,567,632
Customer Facility Charges (Rental Cars)	53,967,596	52,899,404
Bond Reserves	13,501,717	12,725,152
Total Restricted Net Position	83,062,519	70,192,188
Total Unrestricted Net Position	53,192,871	52,957,994
TOTAL NET POSITION	**$ 803,885,797**	**$ 783,613,339**

See accompanying notes to the financial statements

Statements of Revenues, Expenses, and Changes in Net Position

As of December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Parking Revenue	$ 36,005,865	$ 34,821,343
Airline Revenue	35,124,629	30,215,136
Concession Revenue	21,800,112	21,790,813
Cargo Operations Revenue	6,487,800	5,338,208
Hotel Operations Revenue	4,492,392	4,604,520
General Aviation Revenue	3,523,886	3,276,454
Foreign Trade Zone Fees	320,000	326,288
Other Revenue	4,820,439	3,845,560
Total Operating Revenues	**112,575,123**	**104,218,322**
OPERATING EXPENSES		
Employee Wages & Benefits	42,287,061	37,605,758
Purchase of Services	35,124,298	31,137,137
Materials & Supplies	3,964,397	4,607,200
Hotel Services	2,487,491	2,437,466
Other Expenses	25,466	138,079
Total Operating Expenses	**83,888,713**	**75,925,640**
Operating Income Before Depreciation	28,686,410	28,292,682
Less: Depreciation	46,106,597	44,159,988
Operating Loss	**(17,420,187)**	**(15,867,306)**
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	986,411	662,060
Passenger Facility Charges	14,802,169	14,435,887
Rental Car Facility Charges	10,582,265	9,767,922
Interest Expense	(1,781,678)	(3,477,243)
Loss on Securities	(231,548)	(170,251)
Amortization of Deferred Gain (Loss) on Bond Refunding	58,282	(157,974)
Gain on Disposal of Assets	1,302,582	7,767,815
Other Non-Operating Revenues	638,952	394,948
Total Non-Operating Revenues	**26,357,435**	**29,223,164**
Income Before Capital Contributions	**8,937,248**	**13,355,858**
Capital Contributions	11,335,210	19,006,343
Increase in Net Position	**20,272,458**	**32,362,201**
Total Net Position — Beginning of Year	783,613,339	751,251,138
Total Net Position — End of Year	**$ 803,885,797**	**$ 783,613,339**

See accompanying notes to the financial statements

Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 112,905,256	$ 103,662,523
Cash Paid to Employees	(36,293,574)	(34,784,410)
Cash Paid to Suppliers	(43,536,222)	(33,771,756)
Other Payments	(25,466)	(138,079)
Net Cash Provided by Operating Activities	**33,022,994**	**34,968,278**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Federal, State, & Local Funded Operating Grants	638,952	394,948
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Property, Plant, & Equipment	(47,684,890)	(57,474,367)
Contributed Capital, Passenger Facility Charges, & Rental Car Facility Charges	36,347,094	45,742,416
Proceeds from Revolving Bank Loan	-	7,500,000
Interest Paid on Bonds, Notes, & Loan	(1,796,191)	(5,041,848)
Principal Payments on Bonds, Notes, & Loan	(9,378,367)	(58,792,202)
Borrowings from Bonds, Notes, & Loan	-	41,982,000
Proceeds from the Sale of Capital Assets	887,674	14,014,918
Net Cash Used in Capital and Related Financing Activities	**(21,624,680)**	**(12,069,083)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(66,229,335)	(47,477,633)
Proceeds from the Sale of Investments	63,396,610	39,766,102
Income Received on Cash and Investments	738,790	479,035
Net Cash Used in Investing Activities	**(2,093,935)**	**(7,232,496)**
Net Increase in Cash & Cash Equivalents	**9,943,331**	**16,061,647**
Cash & Cash Equivalents — Beginning of Year	51,597,190	35,535,543
Cash & Cash Equivalents — End of Year	**$ 61,540,521**	**$ 51,597,190**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (17,420,187)	$ (15,867,306)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	46,106,597	44,159,988
Pension Expense Not Affecting Cash	5,556,231	1,634,558
(Increase) Decrease in Assets:		
Accounts Receivable — Trade	1,604,653	(847,311)
Accounts Receivable — Other	(1,274,520)	291,512
Deposits, Prepaid Items, and Other	34,271	(350,489)
Increase (Decrease) in Liabilities:		
Accounts Payable	1,400,971	1,721,912
Accrued Liabilities	(2,967,886)	4,311,972
Customer Deposits	(17,136)	(86,558)
Net Cash Provided by Operating Activities	**$ 33,022,994**	**$ 34,968,278**
SUPPLEMENTAL INFORMATION:		
Non-cash Related Activities:		
Change in Fair Value of Investments	$ (231,548)	$ (170,251)

See accompanying notes to the financial statements

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

Note 1 - *Organization and Reporting Entity*

Organization

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

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

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

The RPA was formed under ORC Chapter 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States Government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions and restrictions and reverts to the United States Government at the Government's option if any covenant is violated and not cured within 60 days. At December 31, 2017, the Authority owns approximately 4,000 acres of land contiguous to certain airfield property owned by the United States Government at LCK.

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

Reporting Entity

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

The Authority is a joint venture of the County.

Note 2 - *Summary of Significant Accounting Policies*

Basis of Accounting

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

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

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

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

Budgetary Data

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

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

Cash and Cash Equivalents

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

Investments

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

Capital Contributions

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

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

Receivables

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

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2017 and 2016. The receivable was arrived at primarily by taking the subsequent collection of commissions and real estate taxes, which are received after year end, and recording the portions earned through year end.

Deferred Outflows and Deferred Inflows of Resources

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

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

Restricted Assets

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

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

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

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

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

Restricted Net Position — At December 31, 2017, $15,593,206 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges as defined by GASB Statement No. 46, *"Net Assets Restricted by Enabling Legislation."* At December 31, 2016, $4,567,632 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation for Passenger Facility Charges.

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

At December 31, 2017, $53,967,596 of the Authority's net position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's Board designation for specific use to construct a consolidated rental car facility as defined by GASB Statement No. 46, *"Net Assets Restricted by Enabling Legislation."* At December 31, 2016, $52,899,404 of the Authority's position on the Statement of Net Position was restricted by enabling legislation by means of the Authority's board designation for specific use to construct a consolidated rental car facility.

Capital Assets

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

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

	Total 12/31/2015	Additions	Deletions	Transfers	Total 12/31/2016
DEPRECIABLE CAPITAL ASSETS:					
Buildings	$ 403,795,625	$ 44,375	$ -	$ 67,582,977	$ 471,422,977
Runways & Other	645,375,645	774,448	-	35,497,350	681,647,443
Machinery	74,007,203	11,378,055	(1,041,094)	80,344	84,424,508
Furniture	2,564,922	67,840	(285)	-	2,632,477
Total Depreciable Capital Assets	**1,125,743,395**	**12,264,718**	**(1,041,379)**	**103,160,671**	**1,240,127,405**
LESS ACCUMULATED DEPRECIATION:					
Buildings	167,182,095	10,799,153	-	-	177,981,248
Runways & Other	327,054,014	26,898,273	-	-	353,952,287
Machinery	47,321,632	6,386,990	(1,036,298)	-	52,672,324
Furniture	2,318,020	75,572	(284)	-	2,393,308
Total Accumulated Depreciation	**543,875,761**	**44,159,988**	**(1,036,582)**	**-**	**586,999,167**
Depreciable Capital Assets, Net	**$ 581,867,634**	**$ (31,895,270)**	**$ (4,797)**	**$ 103,160,671**	**$ 653,128,238**
NONDEPRECIABLE CAPITAL ASSETS:					
Land	$ 101,575,763	$ 1,944,931	$ (6,219,002)	$ -	$ 97,301,692
Construction in Progress	75,460,756	38,002,593	-	(103,160,671)	10,302,678
Total Nondepreciable Capital Assets	**$ 177,036,519**	**$ 39,947,524**	**$ (6,219,002)**	**$ (103,160,671)**	**$ 107,604,370**

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

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

Compensated Absences

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

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

	Total 12/31/16	Additions	Payments	Total 12/31/2016	Current Portion
Compensated Absences	$4,703,439	$3,335,148	$3,353,021	$4,685,566	$3,400,000

A summary of the changes in compensated absences for the year ended December 31, 2016 is summarized as follows:

	Total 12/31/15	Additions	Payments	Total 12/31/2016	Current Portion
Compensated Absences	$4,301,270	$3,382,171	$2,980,002	$4,703,439	$3,000,000

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 $665 million and $645 million as of December 31, 2017 and 2016, respectively. The Authority carries liability insurance coverage in the amount of approximately $805 and $804 million as of December 31, 2017 and 2016, respectively.

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

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

	2017	2016	2015
Beginning Balance	$ 298,114	$ 373,830	$ 264,358
Payments	(302,104)	(271,596)	(282,672)
Claims	239,091	195,880	392,144
Ending Balance	**$ 235,101**	**$ 298,114**	**$ 373,830**

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

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

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

	2017	2016	2015
Beginning Balance	$ 400,000	-	$ -
Accruals	4,585,720	3,316,134	-
Claims Paid	(4,385,720)	(2,916,134)	-
Ending Balance	**$ 600,000**	**$ 400,000**	**$ -**

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

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Ohio Public Employees Retirement System (OPERS) and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, deductions are recorded when the liability is incurred and revenues are recognized when earned. Contributions are recorded in the period the related salaries are earned and become measureable pursuant to formal commitments, statutory and contractual requirements. Accordingly, both member and employer contributions for the year ended December 31, 2016 include year-end accruals based upon estimates derived from subsequent payment activity and historical payment patterns. OPERS report investments at fair value (see Note 10).

Other Postemployment Benefits

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

Revenue

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

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

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

Passenger Facility Charges

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

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

Customer Facility Charges (Rental Cars)

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

Reclassifications

Certain amounts from 2016 have been reclassified to conform with current year presentation.

Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Authority to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the OPERS postretirement health care plan. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2018.

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

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2020.

Note 3 - *Cash and Cash Equivalents*

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, *"Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants."* Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2017 and 2016. STAR Ohio maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR Ohio has established procedures to stabilize the net asset value per share, as computed for the purpose of purchase and redemption, at a single value of $1.00. For the years ended December 31, 2017 and 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Public depositories must give security for all public funds on deposit. In 2017, the Treasurer of State created the Ohio Pooled Collateral Program (OPCP) under ORC 135.182 which requires institutions designated as a public depository to pledge to the Treasurer of State a single pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of all uninsured public deposits at the public depository. The market value of the pledged securities is to be at least equal 102% of total amount of the uninsured public deposits or an amount determined by the rules of the Treasurer of State for determining the aggregate market value of the pool of eligible securities pledged by a public depository. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

Deposits with Financial Institutions

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

At December 31, 2016, the carrying amount of the Authority's deposits with financial institutions was $25,834,245 and the bank balance was $16,748,162. Based upon criteria described in GASB Statement No. 3, *"Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements,"* $750,000 of the bank balance was covered by deposit insurance provided by the FDIC; and $15,998,162 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in possession of an outside party. For depository accounts, the Authority has chosen to require deposits to be secured by collateral less the amount of the FDIC insurance based on the daily available bank balances which was 102% under the OPCP program for 2017 and 105% for 2016 to limit its exposure to custodial credit risk.

In addition, the Authority had $16,900 and $12,200 in cash on hand at December 31, 2017 and 2016, respectively.

Investments

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

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

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

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

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

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

As of December 31, 2016, the Authority had the following recurring fair value measurements.

- U.S. Agencies of $81,457,491 are valued using other observable inputs including active markets (Level 2 inputs).
- U.S. Treasuries of $2,547,796 are valued using observable standard inputs including active markets and inter-dealer brokers (Level 1 inputs).
- Commercial papers of $17,258,063 are valued using other observable inputs including active markets (Level 2 inputs).

As of December 31, 2016, the Authority had the following investments and maturities:

Type of Investment	Fair Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations & Notes	$ 84,005,287	Aaa	551
Commercial Paper	17,258,063	P-1	121
Total	**$ 101,263,350**		

The Authority's unrestricted and restricted cash and cash equivalents included $20,851,717 of money market funds, and $25,195,291 of STAR Ohio funds as of December 31, 2017. The Authority's unrestricted and restricted cash and cash equivalents included $19,871,275 of money market funds, and $1,868,740 of repurchase agreements as of December 31, 2016. Standard & Poor's rating for the STAR Ohio fund is AAAm.

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

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

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

Custodial Credit Risk – The Authority's unrestricted and restricted investments at December 31, 2017 and 2016, are insured, registered, or are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

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

Note 4 - *Restricted Cash and Investments*

The following amounts represent restricted cash and investments as of December 31, 2017 and 2016:

	2017	2016
CASH AND INVESTMENTS:		
Restricted for Customer Facility Charge	$ 53,967,596	$ 52,899,404
Restricted for Passenger Facility Charge	15,593,206	4,567,632
Restricted for Debt Service	13,501,717	12,725,152
Retainages on Construction Contracts	684,939	509,992
Total Restricted Cash & Investments	**$ 83,747,458**	**$ 70,702,180**

Note 5 - *Receivables*

The following amounts represent receivables due to the Authority at December 31, 2017 and 2016:

	2017	2016
UNRESTRICTED		
Current:		
Accounts Receivable - Trade	$ 10,007,734	$ 10,977,134
Accounts Receivable - Capital Grants	8,157,249	8,529,798
Less Allowance for Uncollectables	(50,739)	(160,585)
Total Current Unrestricted Trade Receivables	**18,114,244**	**19,346,347**
Accounts Receivable - Other	1,966,700	699,939
Non-Current:		
Accounts Receivable - Other	295,177	287,418
Total Unrestricted Receivables	**$ 20,376,121**	**$ 20,333,704**

Note 6 - *Revolving Bank Loan and Credit Facility Agreement*

Under the Subordinated Obligations Trust Indenture and Credit Facility Agreement dated June 14, 2012, the Authority is authorized via a revolving loan in the form of Credit Facility Bonds to borrow up to $70 million from the Credit Facility Provider, PNC Bank. The authorized maximum commitment decreases to $60 million beginning January 1, 2015, $50 million beginning January 1, 2016 and $40 million beginning January 1, 2017 until maturity of the agreement on December 31, 2018. The facility is subordinated to the Authority's senior revenue bonds (See Note 8) and payable on a subordinated basis from the Authority's Net Revenues and investment income.

The borrowings in the form of three series credit facility bonds (Series 2012A-Tax-exempt, Non-AMT; Series 2012B-Tax-exempt, AMT; and Series 2012C-Taxable) may be used to finance authorized capital and construction projects.

The outstanding principal on the tax-exempt, non-bank qualified credit facility bears interest at a variable rate equal to the sum of the LIBOR RATE for that One-Month LIBOR Period multiplied by 0.72 plus 85 basis points (0.85%). The taxable rate equivalent would be 1 month LIBOR plus 120 basis points (1.2%). The Authority incurs a commitment fee of 10 basis points (0.1%) on the unused portion of the facility.

The tax-exempt outstanding borrowings at December 31, 2017 and 2016 are $9,500,000 at a rate of approximately 1.84% and 1.20%, respectively.

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

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

Credit Facility Agreement information and activity as of and for the year ended December 31, 2016 is presented below:

	Total 12/31/2015	Additions	Payments	Total 12/31/2016	Current Portion
Series 2012A	$ -	$ -	$ -	$ -	$ -
Series 2012B	2,000,000	7,500,000	-	9,500,000	9,500,000
Total	**$ 2,000,000**	**$ 7,500,000**	**$ -**	**$ 9,500,000**	**$ 9,500,000**

Note 7 - *Unearned Income*

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

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

Unearned income activity for the year ended December 31, 2016 is summarized as follows:

	Total 12/31/2015	Additions	Payments	Total 12/31/2016	Current Portion
Unearned Rent -					
Net Discount	$ 11,234,321	$ 72,261	$ 4,723,868	$ 6,582,714	$ 220,853
Advance Grants & Other	257,884	13,288	1,499	287,673	287,673
Total	**$ 11,510,205**	**$ 85,549**	**$ 4,725,367**	**$ 6,870,387**	**$ 508,526**

Note 8 - *Long-Term Debt*

Revenue bonds

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. On October 6, 2016, bonds with a par value of $50,940,000 were refunded with cash reserves and proceeds from the Airport Refunding Revenue Bonds, Series 2016. Revenue bonds payable at December 31, 2017 are $0 and 2016 $41,982,000. The revenue bonds were collateralized by revenue of the Authority established by the trust indenture.

On October 8, 2013, the Authority issued $13,805,000 of Airport Refunding Revenue Bonds, Series 2013A. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003A. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $169,250 beginning February 2014 through April 2021. Interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2017 are $6,519,790. Revenue bonds payable at December 31, 2016, were $8,425,159. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 8, 2013, the Authority issued $3,795,000 of Airport Refunding Revenue Bonds, Series 2013B. The bond proceeds were used to partially refund the Authority's outstanding Airport Refunding Revenue Bonds, Series 2003B. The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $45,400 beginning February 2014 through April 2021. The interest rate is fixed at 1.663%. Revenue bonds payable at December 31, 2017 are $1,847,981. Revenue bonds payable at December 31, 2016 were $2,357,464 The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On March 31, 2015, the Authority issued $40,000,000 of Airport Refunding Revenue Bonds, Series 2015 (AMT). The bond proceeds were used to partially refund the Authority's outstanding Credit Facility Bonds, Series 2012B (See Note 6). The bonds are due at maturity or through mandatory sinking fund redemption requirements in monthly principal and interest installments of $280,662 beginning January 2016 through January 2030. The interest rate is fixed at 2.48%. Revenue bonds payable at December 31, 2017 are $35,133,422. Revenue bonds payable at December 31, 2016 were $37,596,851. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

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

Net revenue of the John Glenn International Airport is pledged toward the repayment of the Airport Revenue Bonds. Net revenue consists of operating revenue, investment income, other non-operating revenues, gain (loss) on securities, and gain (loss) on disposal of assets reduced by operating expenses not including depreciation. For December 31, 2017, the net revenue was $27.6 million compared to the net debt service (principal and interest) of $11.2 million.

Current Refunding and Defeasances

The Authority did refund and defease certain bond issues on October 6, 2016 and October 8, 2013. The Authority accounted for the current refunding's in accordance with GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", for the enterprise-type debt. The refunded bonds are not included in the Authority's outstanding debt since the Authority has in substance satisfied its obligation through current refunding.

The 2016 current refunding of the enterprise-type debt resulted in a $407,977 difference between the $52,213,994 reacquisition price and the carrying amount of the old debt which was $52,621,971. This difference, deferred amount of refunding, is reported in the financial statements with Deferred Inflows of Resources in accordance with GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities,*" 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. Amortization of the deferred amount on refunding was $58,282 and $0 for 2017 and 2016, respectively. Unamortized deferral on refunding is $349,695 at December 31, 2017. Unamortized deferral on refunding was $407,977 at December 31, 2016.

The Authority, in completing the 2016 current refunding, reduced its debt service payments over 10 years by $18.461 million. After the application of $5.918 million of cash on hand, the economic gain, present value savings, was $9.37 million. The Authority, in completing the 2013 current refunding, reduced its debt service payments over 10 years by $4.42 million for an economic gain, present value savings, of $3.27 million.

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

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
BONDS:				
2013A	$ 8,425,159	$ -	$(1,905,369)	$6,519,790
2013B	2,357,464	-	(509,484)	1,847,980
2015	37,596,851	-	(2,463,429)	35,133,422
2016	41,982,000	-	(4,500,085)	37,481,915
	90,361,474	**$ -**	**($9,378,367)**	80,983,107
Less: Current Portion	9,378,367			9,966,491
	$ 80,938,107			**$ 71,016,616**

Revenue bond and loan activity for the year ended December 31, 2016 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
BONDS:				
2007	$ 54,015,000	$ -	$ (54,015,000)	$ -
Unamortized Premium	1,555,217	-	(1,555,217)	-
2013A	10,299,125	-	(1,873,966)	8,425,159
2013B	2,857,551	-	(500,087)	2,357,464
2015	40,000,000	-	(2,403,149)	37,596,851
2016	-	41,982,000	-	41,982,000
	108,726,893	**$ 41,982,000**	**$ (60,347,419)**	90,361,474
Less: Current Portion	7,852,202			9,378,367
	$ 100,874,691			**$ 80,983,107**

Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2017 are as follows:

	Principal	Interest
2018	$ 9,966,491	$ 1,440,091
2019	10,152,352	1,252,659
2020	10,341,821	1,047,344
2021	10,594,986	824,480
2022	10,675,306	623,955
2023-2027	22,420,634	1,782,434
2028-2030	6,831,517	170,937
Total	**$ 80,983,107**	**$ 7,141,900**

Note 9 - ***Other Post Retirement Benefits***

Plan Description

OPERS maintains a cost-sharing employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined 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 OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https//www.opers.org/financial/reports.shtml, by or writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017 and 2016, state and local employers contributed at a rate of 14% of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Effective April 6, 2017, the Authority pursuant to Ohio House Bill 520 contributes to the Ohio Public Employees Retirement System-law enforcement division fund (PERS-LE) for its Police Officers employees. The Bill allowed police officers currently employed by the Authority prior to July 3, 2011 to make a one-time election to move from PERS to PERS-LE. The 2017 employer contribution rate for the law enforcement division is 18.10% of covered payroll.

OPERS' Post-Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of the employer contribution allocated to health care was 2% for 2016. Effective January 1, 2017, the portion of the employer contribution allocated to health care was 1% for both the State and Local employer units and the Law Enforcement division as recommended by the OPERS actuary.

The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefit provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Authority's contributions allocated to fund post-retirement health care benefits for the years ended December 31, 2017, 2016 and 2015 were $281,964, $488,880, and $466,640 respectively. One hundred percent was contributed for, 2017, 2016, and 2015.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

Note 10 - *Pension and Retirement Plans*

Plan Description

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

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

In 2011, the employer was required to contribute 14.0% of active member payroll. For full-time employees hired on April 1, 2011 and thereafter, the portion of an employee's contribution is equal to 10.0% to be paid by the employee. For full-time employees hired prior to April 1, 2011, the portion of an employee's contribution is equal to a maximum of 2.0% to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority and a minimum of 8.0% to be paid by the employee as of 12/31/17. This amendment was accepted by OPERS and acknowledged as in compliance with IRS guidelines.

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

Net Pension Liability

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

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

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

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

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

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for State and Local employer units and 18.1% for the Law Enforcement divisions. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll. The 2017 and 2016 member contribution rate for State and Local members was 10.0% of covered payroll. The 2017 member contribution rate for the Law Enforcement division is 13.0% of covered payroll.

The contribution rate for State and Local employers in 2017 and 2016 was 14.0%. The contribution rate for Law Enforcement divisions in 2017 was 18.1%. The portion of the employer's contribution used to fund pension benefits is net of postemployment health care benefits. Employer contribution rates are actuarially determined.

The Authority's contractually required contribution to OPERS was $3,947,490 for fiscal year 2017, which is reported as a deferred outflow of resources. The Authority's contractually required contribution to OPERS was $4,021,826 for fiscal year 2016, of this amount $3,755,829 was reported as a deferred outflow.

Age-and-Service Retirement

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under law in effect prior to SB 343 or who will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013 or who will be eligible to retire no later than 10 years after January 7, 2013 are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

Retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and transition group. The following table shows the retirement eligibility requirements for all divisions and transition groups. The requirements for the State and Local divisions apply to members who participate in either the Traditional Pension Plan or the Combined Plan (see OPERS CAFR referenced below under Additional Financial and Actuarial Information for additional information).

Age and service requirements for State/Local retirement at December 31, 2017 and 2016 are as follows:

	Group A		Group B		Group C	
	AGE	SERVICE	AGE	SERVICE	AGE	SERVICE
Full Benefits	Any	30	52	31	55	32
	-	-	Any	32	-	-
	65	5	66	5	67	5
Reduced Benefits	55	25	55	25	57	25
	60	5	60	5	62	5

Benefit payments vary in amount depending on years of service credit, FAS, age, and plan of payment selection. FAS is the average of the three highest years of earnable salary for Groups A and B; and the average of the five highest years of earnable salary for members in Group C. The age-and-service formula benefit cannot exceed 100% of the FAS or the limits under Internal Revenue Code Section 415 and may be subject to the contribution-based benefit cap. The base benefit amount calculated by the formula will be reduced if a member begins receiving a retirement benefit before he/she reaches the age-and-service requirements for an unreduced benefit.

In the Traditional Pension Plan, the benefit formula for State and Local members in transition Groups A and B applies a factor of 2.2% to the member's FAS for the first 30 years of service. A factor of 2.5% is applied to years of service in excess of 30. The benefit formula for State and Local members in transition Group C applies a factor of 2.2% to the member's FAS for the first 35 years of service and a factor of 2.5% is applied to years of service in excess of 35.

In the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. In the defined contribution component of the Combined Plan, the current value of the individual account is available at retirement. The balance can be rolled over to another eligible retirement plan, made payable to the member with taxes withheld, or converted to a lifetime annuity through OPERS, or a combination of the three options.

Cost of Living Adjustment (COLA)

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Health Care Coverage for Traditional Pension and Combined Plans

Health Care Coverage—with one exception, OPERS-provided health care coverage is neither a guaranteed nor statutorily required benefit. Medicare Part A equivalent coverage for eligible retirees and their eligible dependents is provided by statute. Members that applied for age-and-service retirement with effective dates of December 1, 2014 or earlier and who had 10 or more years of Ohio service credit had access to OPERS-provided health care coverage on a subsidized basis. Beginning in January 1, 2015, members must be at least age 60 with 20 years of qualifying service. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Groups B and C are eligible for coverage at any age with 31 and 32 years of qualifying service, respectively. See the Age-and-Service Retirement section above for a description of Groups A, B and C.

Qualifying service credit for determining eligibility to participate in the health care plans includes the following types of credit: contributing service, other Ohio retirement system service transfers, interrupted military (USERRA), unreported time, and restored (refunded) service. Beginning January 1, 2014, contributing service credit for health care will be accumulated only if the member's eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

In addition to retirees, access to health care coverage is also available for disability recipients and primary survivor recipients. Spouses and dependents of eligible recipients, as defined in rules governing the health care plans, may be covered through additional premiums.

Recipients of disability benefits prior to January 1, 2014 have continued access to health care coverage while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same way as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare due to disability status to remain enrolled in OPERS health care. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Coverage Options

In 2015, OPERS provided monthly allowances for health care coverage for retirees and their eligible dependents, both over and under the age of 65, based on the retiree's Medicare status. For those retiring on or after January 1, 2015, the allowance (subsidy) provided by OPERS will be based on age and years of qualifying service credit when a recipient first enrolls in OPERS health care. At the completion of a three-year transition that ends in 2018, monthly allowances will range between 51% and 90% of the full monthly premium and the same allowance table will be used for all retirees. Those who retired prior to January 1, 2015, with an allowance at or above 75%, will not have an allowance below 75%. Members retiring at any age with 30 (based on retirement group) or more years of qualifying service will have at least a 71% allowance.

Beginning in 2016, OPERS ceased offering the group plan for medical and pharmacy to Medicare-eligible retirees. Instead, their allowance is deposited to an HRA account and may be used to reimburse the cost of coverage selected through the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS and tasked with assisting retirees, spouses and dependents with selecting a medical and pharmacy plan.

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

The net pension liability for OPERS was measured as of December 31, 2016 and 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities.

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

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

At December 31, 2016, the Authority reported the following information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan
Proportionate Share of the Net Pension Liability	0.161166%	0.379940%
Proportion of the Net Liability (Asset)	$ 27,915,973	$ (184,887)
Pension Expense	$ 3,922,441	$ 97,486

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

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

*Authority's Contribution Subsequent to the Measurement Date - All Plans includes $72,751 for Law Enforcement division

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

At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Net Differences Between Projected and Actual Investment Earnings	$ 8,191,273	$ 79,710	$ 8,270,983
Authority's Contributions Subsequent to the Measurement Date - All Plans	3,513,632	242,197	3,755,829
Total Deferred Outflows of Resources	**$ 11,704,905**	**$ 321,907**	**$ 12,026,812**

Deferred Inflows of Resources	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Net Differences Between Expected and Actual Experience	$ 536,013	$ 83,680	$ 619,693
Total Deferred Inflows of Resources	**$ 536,013**	**$ 83,680**	**$ 619,693**

Contributions of $3,947,490 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases or (decreases) in pension expense as follows:

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

Year Ending December 31	Traditional Pension Plan Net Deferred Inflows/ (Outflows) of Resources	Combined Plan Net Deferred Inflows/ (Outflows) of Resources	Combined Plan Net Deferred Inflows/ (Outflows) of Resources
2018	$ 5,280,178	$ 10,025	2,778
2019	5,442,628	10,025	2,778
2020	1,971,156	7,831	2,695
2021	(80,395)	(10,451)	2,158
2022	-	(8,347)	2,190
Thereafter	-	(13,127)	6,058

For the year ended December 31, 2017 and 2016, the Authority had $376,918, and $363,419, respectively due to the Plan for contractually required contributions.

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used for December 31, 2016 and 2015 actuarial valuations are presented below:

KEY METHODS AND ASSUMPTIONS USED IN VALUATION OF TOTAL PENSION LIABILITY

Actuarial Information	Traditional Pension Plan		Combined Plan		Member Directed Plan	
Valuation Date	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Experience Study	5 Year Period Ending December 31, 2015	5 Year Period Ended December 31, 2010	5 Year Period Ending December 31, 2015	5 Year Period Ended December 31, 2010	5 Year Period Ending December 31, 2015	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions						
Investment Rate of Return	7.50%	8.00%	7.50%	8.00%	7.50%	8.00%
Wage Inflation	3.25%	3.75%	3.25%	3.75%	3.25%	3.75%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)	4.25%-10.05% (includes wage inflation at 3.75%)	3.25%-8.25% (includes wage inflation at 3.25%)	4.25%-8.05% (includes wage inflation at 3.75%)	3.25%-8.25% (includes wage inflation at 3.25%)	4.25%-8.05% (includes wage inflation at 3.75%)
Cost of Living Adjustments	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.80% Simple	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.80% Simple	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3% Simple Post-1/7/2013 Retirees: 3% Simple through 2018, then 2.80% Simple

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

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016 and 0.4% for 2015.

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

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

Asset Class	Target Allocation for 2016	Weighted Average Long Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate Private	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	18.00%	4.92%
Total	**100.00%**	**5.66%**

The following table displays the Board-approved Asset allocation policy for 2015 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2015	Weighted Average Long Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate Private	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total	**100.00%**	**5.27%**

Discount Rate

The discount rate used to measure the total pension liability was 7.5% and 8.0% for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan as of December 31, 2017 and 2016 respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Authority's Proportionate Share of the Net Pension Liability/(Asset)	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Traditional Pension Plan	$ 59,070,762	$ 38,665,876	$ 21,662,004
Combined Pension Plan	(14,969)	(208,281)	(381,707)
Member-Directed Plan	(4,143)	(1,726)	(4,143)

Additional Financial and Actuarial Information

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report may be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/(asset), required supplementary information on the net pension liability/(asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2015 CAFR. This CAFR is available at https//www.opers.org/financial/reports.shtml or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Note 11 - *Capital Contributions*

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

	2017	2016
Federal	$ 11,073,317	$ 15,772,126
State & Local	261,893	3,234,217
Total	**$ 11,335,210**	**$ 19,006,343**

Note 12 - *Commitments and Contingencies*

Capital Improvements

As of December 31, 2017, the Authority was obligated for completion of certain airport improvements under commitments of approximately $24.5 million. An estimated $9.2 million is eligible for reimbursement from the FAA and Ohio Development Services Agency. The remaining amount is expected to be funded from bond proceeds, current available resources, PFCs, 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, 2017, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

Note 13 - *Property Leased to Others*

The Authority is a lessor of space in CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the Statements of Net Position are held by the Authority for the purpose of rental or related use. The cost and net book value of property held for operating leases as of December 31, 2017 are $478,418,816 and $281,970,995, respectively. The cost and net book value of property held for operating leases as of December 31, 2016 are $475,307,755 and $291,322,364, respectively.

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

2018	$ 18,437,595
2019	23,047,903
2020	14,631,464
2021	14,379,810
2022	4,404,282
2023 - 2027	21,878,777
2028 - 2032	13,686,679
2033 - 2037	9,207,637
2038 - 2042	5,569,804
2043 - 2047	3,988,008
2048 - 2052	2,538,564
2053 - 2057	2,485,118
2058 - 2062	2,284,703
Total	**$ 136,540,344**

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

Contingent operating revenue aggregated approximately $30,000,000, and $31,000,000, respectively, in 2017 and 2016.

Note 14 - *Related Party Transactions*

County of Franklin, Ohio

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

City of Columbus, Ohio

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

In 2017, The City along with the Northern Pickaway County Joint Economic Development District (JEDD) agreed to contribute $300,000 and $100,000 respectively to support sanitary sewer capital improvements at Rickenbacker airport. The funds are to be paid to the Authority by December 31, 2018.

Note 15 - *Conduit Debt - Private Sector Entities*

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

As of December 31, 2017 and 2016, there were 8 series of bonds outstanding with aggregate principal balances of $143,347,221 and $156,626,942, respectively. The original issue amounts for these 8 series totaled $393,945,000.

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

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

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

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

As of December 31, 2017 and 2016, there were 2015 series of bonds outstanding with aggregate principal balances of $73,600,000. The original issue amounts for these 2015 series totaled $75,000,000.

Required *Supplementary Information*

December 31, 2017

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

For the Years Ended December 31

	2016	2015	2014
Traditional Pension Plan			
Authority's proportion of the net pension liability (asset)	0.170272%	0.161166%	0.158207%
Authority's proportionate share of the net pension liability (asset)	$ 38,665,876	$ 27,915,973	$ 19,081,519
Authority's covered-employee payroll	24,569,536	18,866,692	18,472,175
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.37%	147.96%	103.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	77.25%	81.19%	86.45%
Combined Plan			
Authority's proportion of the net pension liability (asset)	0.374223%	0.379940%	0.373312%
Authority's proportionate share of the net pension liability (asset)	$ (208,281)	$ (184,887)	$ (143,734)
Authority's covered-employee payroll	1,625,993	1,248,584	1,282,687
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12.81%	-14.81%	-11.21%
Plan fiduciary net position as a percentage of the total pension liability (asset)	116.55%	116.90%	114.83%
Member-Directed Plan			
Authority's proportion of the net pension liability (asset)	0.414439%	0.344976%	0.000000%
Authority's proportionate share of the net pension liability (asset)	$ (1,726)	$ -	$ -
Authority's covered-employee payroll	2,000,829	1,536,413	1,751,680
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.09%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.40%	103.91%	0.00%

Supplemental Schedule of the Authority's Pension Contributions

For the Years Ended December 31

Traditional Pension Plan	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$3,439,735	$2,641,337	$2,586,103	$2,713,249	$2,761,368	$2,605,823	$2,531,772	$2,197,533	$2,153,067	$2,364,138
Contributions in Relation to the Contractually Required Contribution	(3,439,735)	(2,641,337)	(2,586,103)	(2,713,249)	(2,761,368)	(2,605,823)	(2,531,772)	(2,197,533)	(2,153,067)	(2,364,138)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority Covered Employee Payroll	$24,569,536	$18,866,692	$18,472,175	$19,380,362	$19,724,066	$18,613,028	$18,084,102	$15,696,673	$15,379,054	$16,886,714
Contributions as a Percentage of Covered Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Combined Plan	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$227,639	$174,802	$179,576	$181,887	$179,158	$142,705	$124,371	$101,041	$87,010	$87,058
Contributions in Relation to the Contractually Required Contribution	(227,639)	(174,802)	(179,576)	(181,887)	(179,158)	(142,705)	(124,371)	(101,041)	(87,010)	(87,058)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority Covered Employee Payroll	$1,625,993	$1,248,584	$1,282,687	$1,299,195	$1,279,700	$1,019,321	$888,368	$721,720	$621,502	$621,843
Contributions as a Percentage of Covered Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Member-Directed Plan	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$ 280,116	$ 215,098	$ 245,235	$ 220,622	$ 212,461	$ 183,972	$ 125,219	$ 73,997	$ 42,403	$ 44,999
Contributions in Relation to the Contractually Required Contribution	(280,116)	(215,098)	(245,235)	(220,622)	(212,461)	(183,972)	(125,219)	(73,997)	(42,403)	(44,999)
Contribution Deficiency (Excess)	$ -	$ -	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority Covered Employee Payroll	$2,000,829	$1,536,413	$1,751,680	$1,575,870	$1,517,580	$1,314,084	$894,420	$528,549	$302,878	$321,426
Contributions as a Percentage of Covered Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedules of Required Supplementary Information

December 31, 2017

Note A

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

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the Plan years ended December 31, 2016 and 2015, respectively.

Changes in assumptions: During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent and 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables changed from RP-2000 to RP-2014.

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

For the Year Ended December 31, 2017

	Budget (Unaudited)	Actual	Variance to Budget
OPERATING REVENUES			
Parking Revenue	$ 38,367,882	$ 36,005,865	$ (2,362,017)
Airline Revenue	34,459,290	35,124,629	665,339
Concession Revenue	21,207,003	21,800,112	593,109
Cargo Operations Revenue	5,721,583	6,487,800	766,217
Hotel Operations Revenue	4,495,195	4,492,392	(2,803)
General Aviation Revenue	3,298,777	3,523,886	225,109
Foreign Trade Zone Fees	320,000	320,000	-
Other Revenue	4,400,019	4,820,439	420,420
Total Operating Revenues	**112,269,749**	**112,575,123**	**305,374**
OPERATING EXPENSES			
Employee Wages & Benefits	38,510,430	42,287,061	(3,776,631)
Purchase of Services	33,948,579	35,124,298	(1,175,719)
Materials & Supplies	4,568,105	3,964,397	603,708
Hotel Services	2,359,063	2,487,491	(128,428)
Other Expenses	-	25,466	(25,466)
Total Operating Expenses	**79,386,177**	**83,888,713**	**(4,502,536)**
Operating Income before Depreciation	32,883,572	28,686,410	(4,197,162)
Less: Depreciation	43,450,848	46,106,597	(2,655,749)
Operating Loss	**(10,567,276)**	**(17,420,187)**	**(6,852,911)**
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	629,349	986,411	357,062
Other Non-Operating Revenues	572,052	638,952	66,900
Passenger Facility Charges	14,266,000	14,802,169	536,169
Rental Car Facility Charges	10,500,000	10,582,265	82,265
Interest Expense	(1,920,192)	(1,781,678)	138,514
Gain (Loss) on Securities	-	(231,548)	(231,548)
Amortization of Deferred Charges	-	58,282	58,282
Gain (Loss) on Disposal of Assets	-	1,302,582	1,302,582
Total Non-Operating Revenues	**24,047,209**	**26,357,435**	**2,310,226**
Income before Capital Contributions	**13,479,933**	**8,937,248**	**(4,542,685)**
Adjustments to Reconcile GAAP Net Income Before Capital Contributions Budgeted To Net Income -			
Loss on Securities	-	231,548	231,548
Pension Adjustments - GASB 68 and 71	-	5,556,232	5,556,232
Total Adjustments	**-**	**5,787,780**	**5,787,780**
Net Income Adjusted to the Budgetary Basis of Accounting	**$ 13,479,933**	**$ 14,725,028**	**$ 1,245,095**

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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.

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Revenues and Expenses by Type

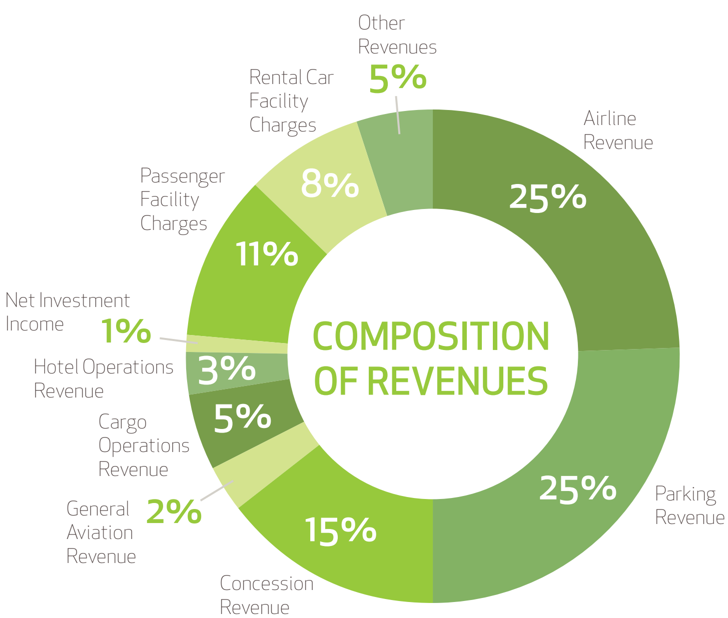
For the 10 Years Ended December 31, 2017

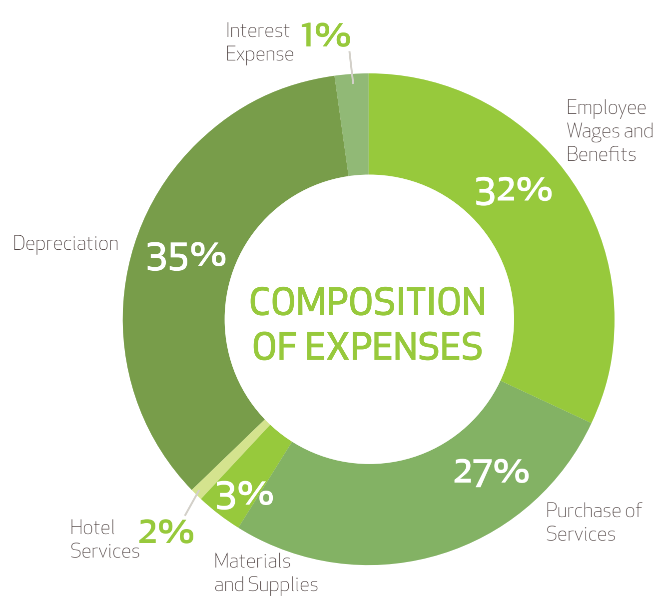
(dollars in thousands)

	2017		2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES:											
Parking Revenue	$36,006	25%	$34,821	$32,880	$30,131	$28,888	$27,788	$27,188	$25,395	$24,391	$28,144
Airline Revenue	35,125	25%	30,215	26,608	26,869	28,241	27,222	25,085	24,783	24,204	25,930
Concession Revenue	21,800	15%	21,791	20,122	18,937	18,091	18,578	18,276	17,486	16,897	18,985
Cargo Operations Revenue	6,488	5%	5,338	5,478	4,808	4,064	2,240	1,647	1,614	1,582	1,791
Hotel Operations Revenue	4,492	3%	4,605	4,094	1,380	-	-	-	-	-	-
General Aviation Revenue	3,524	2%	3,276	3,205	3,031	3,429	2,522	2,602	2,304	2,256	2,452
Foreign Trade Zone Fees	320	0%	326	308	363	370	380	382	378	440	493
Net Investment Income	755	1%	492	410	286	124	464	822	1,130	1,121	3,424
Passenger Facility Charges	14,802	11%	14,436	13,576	12,562	12,238	12,954	13,059	13,332	12,584	15,487
Rental Car Facility Charges	10,582	8%	9,768	7,876	6,519	6,470	6,257	5,615	5,011	4,457	3,211
Other Revenue	6,762	5%	12,008	4,988	3,246	4,654	7,249	5,527	7,410	8,647	10,438
	140,656	**100%**	**137,077**	**119,543**	**108,131**	**106,569**	**105,655**	**100,204**	**98,843**	**96,580**	**110,355**
EXPENSES:											
Employee Wages & Benefits	42,287	32%	37,606	33,005	32,854	33,267	31,672	30,680	30,251	28,266	30,536
Purchase of Services	35,124	27%	31,137	27,348	26,177	26,224	25,878	28,128	19,829	20,198	21,689
Materials and Supplies	3,964	3%	4,607	4,909	5,701	5,621	3,673	3,599	3,567	2,744	2,469
Hotel Services	2,487	2%	2,437	2,149	665	-	-	-	-	-	-
Depreciation	46,107	35%	44,160	42,811	42,258	38,312	35,259	33,777	32,260	29,199	25,905
Interest Expense	1,782	1%	3,477	2,747	2,846	3,718	3,929	4,136	4,425	4,704	5,196
Other Expenses	(33)	0%	296	248	297	245	202	246	256	191	244
	131,719	**100%**	**123,721**	**113,218**	**110,798**	**107,387**	**100,613**	**100,567**	**90,588**	**85,303**	**86,039**
Income before Capital Contributions, Special & Extraordinary Items	**$ 8,937**		**$ 13,356**	**$ 6,325**	**$ (2,667)**	**$ (818)**	**$ 5,042**	**$ (362)**	**$ 8,255**	**$ 11,278**	**$ 24,316**

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

Source: The Authority's Accounting Department





Revenues and Expenses by Area

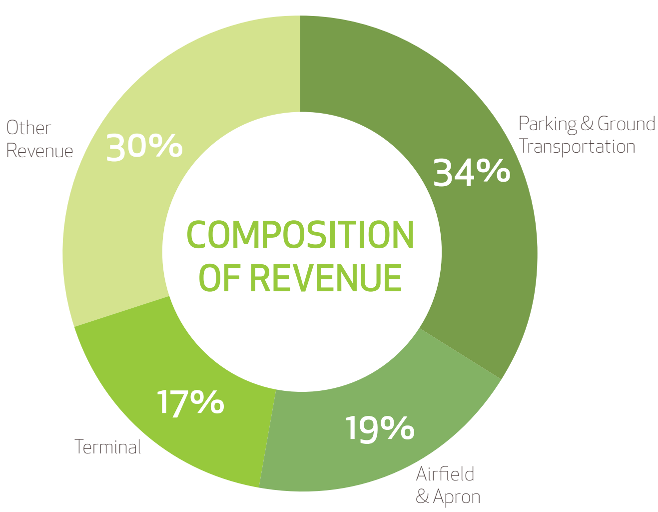
For the 10 Years Ended December 31, 2017

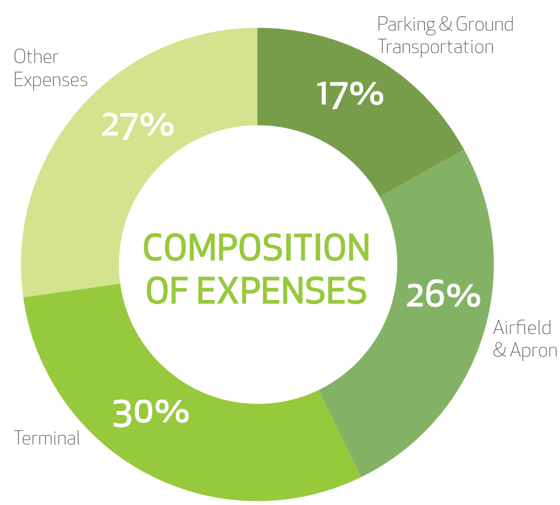
(dollars in thousands)

	2017		2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES:											
Parking & Ground Transportation	$47,944	34%	$46,894	$43,926	$40,981	$39,022	$38,144	$37,134	$34,913	$33,187	$38,672
Airfield & Apron	25,973	19%	20,072	21,533	20,673	22,197	19,418	16,856	17,415	17,812	17,994
Terminal	23,924	17%	22,473	17,723	17,780	16,740	16,074	15,788	14,237	13,034	14,773
Other Revenue	41,667	30%	40,128	36,363	28,699	28,610	32,018	30,426	32,280	32,548	38,916
	139,508	**100%**	**129,567**	**119,545**	**108,133**	**106,569**	**105,654**	**100,204**	**98,845**	**96,581**	**110,355**
EXPENSES:											
Parking & Ground Transportation	14,560	17%	10,967	10,691	12,955	13,856	14,939	13,333	11,692	12,221	13,927
Airfield & Apron	21,959	26%	20,658	21,328	22,920	20,890	18,950	18,151	17,207	15,723	16,079
Terminal	24,970	30%	22,266	20,910	21,000	17,598	18,839	19,053	17,586	16,398	18,131
Other Expenses	22,976	27%	18,160	17,480	11,666	16,731	12,625	16,252	11,845	11,763	11,997
Expenses Before Depreciation:	**84,464**	**100%**	**72,051**	**70,409**	**68,541**	**69,075**	**65,353**	**66,789**	**58,330**	**56,105**	**60,134**
Depreciation	46,107		44,160	42,811	42,259	38,312	35,259	33,777	32,260	29,199	25,905
	130,571		**116,211**	**113,220**	**110,800**	**107,387**	**100,612**	**100,566**	**90,590**	**85,304**	**86,039**
Income before Capital Contributions, Special & Extraordinary Items	**$ 8,937**		**$ 13,356**	**$ 6,325**	**$ (2,667)**	**$ (818)**	**$ 5,042**	**$ (362)**	**$ 8,255**	**$ 11,277**	**$ 24,316**

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

Source: The Authority's Accounting Department





Total Annual Revenues, Expenses, and Changes in Net Position

For the 10 Years Ended December 31, 2017

(dollars in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
OPERATING REVENUES										
Parking Revenue	$36,006	$34,821	$32,880	$30,131	$28,888	$27,788	$27,188	$25,395	$24,391	$28,144
Airline Revenue	35,125	30,215	26,608	26,869	28,241	27,222	25,085	24,783	24,204	25,930
Concession Revenue	21,800	21,791	20,122	18,937	18,091	18,578	18,276	17,486	16,897	18,985
Other Revenue	19,645	17,391	16,269	12,256	9,732	7,360	6,900	6,551	7,584	7,225
Total Operating Revenues	**112,575**	**104,218**	**95,879**	**88,193**	**84,952**	**80,949**	**77,450**	**74,215**	**73,077**	**80,284**
OPERATING EXPENSES										
Employee Wages & Benefits	42,287	37,606	33,005	32,854	33,267	31,672	30,680	30,252	28,267	30,537
Purchase of Services	35,124	31,137	27,348	26,177	26,224	25,878	28,128	19,829	20,198	21,689
Materials & Supplies	3,964	4,607	4,909	5,701	5,621	3,673	3,599	3,567	2,744	2,469
Hotel Services	2,487	2,437	2,149	665	-	-	-	-	-	-
Other Expenses	25	138	63	121	60	17	61	71	6	58
Total Operating Expenses	**83,889**	**75,926**	**67,475**	**65,517**	**65,172**	**61,239**	**62,468**	**53,719**	**51,216**	**54,753**
Operating Income										
Before Depreciation	**28,686**	**28,293**	**28,404**	**22,675**	**19,781**	**19,709**	**14,981**	**20,496**	**21,861**	**25,531**
Less: Depreciation	46,107	44,160	42,811	42,259	38,312	35,259	33,777	32,260	29,199	25,905
Operating Income (Loss)	**(17,420)**	**(15,867)**	**(14,407)**	**(19,583)**	**(18,532)**	**(15,549)**	**(18,796)**	**(11,764)**	**(7,338)**	**(375)**
NON-OPERATING REVENUES (EXPENSES)										
Investment Income	986	662	475	334	319	447	804	1,244	1,524	2,851
Passenger Facility Charges	14,802	14,436	13,576	12,562	12,238	12,954	13,059	13,332	12,584	15,487
Rental Car Facility Charges	10,582	9,768	7,876	6,519	6,470	6,257	5,615	5,011	4,457	3,211
Interest Expense	(1,782)	(3,477)	(2,747)	(2,846)	(3,718)	(3,929)	(4,136)	(4,425)	(4,704)	(5,196)
Gain (Loss) on Securities	(232)	(170)	(65)	(48)	(195)	17	18	(114)	(402)	572
Amortization of Deferred Loss on Bond Refunding	58	(158)	(185)	(177)	(185)	(185)	(185)	(185)	(185)	(185)
Gain (Loss) on Disposal of Assets	1,303	7,768	1,273	(100)	73	2,265	(2,095)	(302)	79	2,582
Other Non-Operating Revenues	639	395	531	672	2,712	2,766	5,354	5,458	5,262	5,367
Total Non-Operating Revenues	**26,357**	**29,223**	**20,732**	**16,916**	**17,714**	**20,592**	**18,434**	**20,018**	**18,614**	**24,690**
Income Before Capital Contributions, Special & Extraordinary Items	8,937	13,356	6,325	(2,668)	(818)	5,042	(362)	8,254	11,277	24,315
Capital Contributions	11,335	19,006	2,089	15,652	14,200	45,770	34,276	22,951	10,720	17,976
Increase In Net Position	**20,272**	**32,362**	**8,414**	**12,984**	**13,382**	**50,812**	**33,914**	**31,205**	**21,996**	**42,291**
Net Position - Beginning of Year	783,613	751,251	758,949	745,964	732,582	681,770	647,856	616,651	594,655	552,364
Restatement for GASB 68 & 71	-	-	(16,112)	-	-	-	-	-	-	-
Total Net Position - End of Year	**$803,886**	**$783,613**	**$751,251**	**$758,949**	**$745,964**	**$732,582**	**$681,770**	**$647,856**	**$616,651**	**$594,655**

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

Source: The Authority's audited financial statements

Statements of Net Position

For the 10 Years Ended December 31, 2017

(dollars in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
ASSETS:										
Current Assets - Unrestricted										
Cash & Cash Equivalents	$40,112	$40,700	$21,516	$24,547	$16,784	$22,187	$23,388	$22,178	$28,031	$27,890
Other Investments	8,191	12,073	3,998	2,501	9,135	9,153	3,262	6,090	14,791	4,622
Accounts Receivable - Trade & Capital Grants, Net	18,114	19,346	21,031	31,878	33,396	33,551	13,583	16,048	9,594	12,921
Accounts Receivable - Other	1,967	700	1,005	1,011	1,826	1,869	1,643	2,278	1,113	2,710
Interest Receivable	217	201	188	131	99	96	153	192	254	355
Direct Financing Leases Receivable	-	-	-	-	-	-	-	368	491	491
Deposits, Prepaid Items, & Other	2,940	2,975	2,624	2,795	2,499	2,347	1,960	2,373	2,212	2,263
Total Current Assets	**71,541**	**75,994**	**50,362**	**62,862**	**63,739**	**69,202**	**43,988**	**49,528**	**56,486**	**51,253**
NON-CURRENT ASSETS:										
Non-Current Assets - Unrestricted:										
Other Investments	33,586	29,386	37,188	73,833	60,826	53,520	52,848	58,029	45,930	45,988
Accounts Receivable - Other	295	287	274	272	265	262	258	260	266	204
Net Pension Asset	210	185	144	-	-	-	-	-	-	-
Direct Financing Leases Receivable	-	-	-	-	-	-	-	-	368	859
Land	95,088	97,302	101,576	100,168	103,869	103,821	103,733	102,038	104,624	101,966
Construction In Progress	30,162	10,303	75,461	36,080	27,981	104,365	63,311	36,510	18,084	99,841
Depreciable Capital Assets - Net of Accumulated Depreciation	633,213	653,128	581,868	614,021	607,333	515,038	522,482	494,430	504,208	417,042
Total Non-Current Assets - Unrestricted	792,554	790,591	796,510	824,373	800,274	777,004	742,633	691,267	673,480	665,900
Non-Current Assets - Restricted:										
Cash & Cash Equivalents	21,428	10,898	14,019	22,587	22,790	26,714	28,352	30,044	26,755	27,879
Other Investments	62,319	59,805	52,366	-	-	-	-	17,674	12,280	16,665
Total Non-Current - Restricted	83,747	70,702	66,385	22,587	22,790	26,714	28,352	47,718	39,036	44,544
Total Non-Current Assets	**876,302**	**861,293**	**862,895**	**846,959**	**823,064**	**803,719**	**770,985**	**738,985**	**712,516**	**710,443**
Total Assets	**947,843**	**937,287**	**913,257**	**909,821**	**886,802**	**872,921**	**814,973**	**788,513**	**769,002**	**761,696**
Deferred Outflows of Resources										
Deferred Loss On Bond Refunding (Net of Accumulated Amortization)	-	-	1,100	1,286	1,462	1,648	1,833	2,018	2,204	2,389
Pensions	16,904	12,027	4,627	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	16,904	12,027	5,728	1,286	1,462	1,648	1,833	2,018	2,204	2,389
Total Assets & Deferred Outflows of Resources	**$964,746**	**$949,314**	**$918,985**	**$911,107**	**$888,265**	**$ 874,569**	**$816,806**	**$790,531**	**$771,205**	**$764,085**
LIABILITIES										
Current Liabilities - Unrestricted:										
Payable From Unrestricted Assets:										
Accounts Payable - Trade	$8,512	$7,111	$5,389	$6,259	$10,290	$6,037	$6,281	$13,886	$4,195	$6,432
Accrued Interest Payable	135	149	1,509	1,430	1,494	2,128	2,195	2,285	2,372	2,481
Accrued & Withheld Employee Benefits	7,152	6,296	5,512	4,971	5,188	4,387	3,848	3,881	2,991	4,098
Unearned Rent	364	509	518	500	1,258	1,559	1,621	491	1,002	3,247
Other Accrued Expenses	10,403	13,808	10,683	5,704	4,906	5,760	7,192	7,008	4,242	4,615
Total Current Liabilities	**26,565**	**27,873**	**23,611**	**18,864**	**23,137**	**19,872**	**21,137**	**27,552**	**14,803**	**20,873**
Long-Term Liabilities:										
Payable From Restricted Assets - Due within 1 Year:										
Retainages on Construction Contracts	685	510	1,109	1,235	1,609	1,275	3,510	559	606	2,255
Customer Deposits & Other	430	447	-	451	542	409	506	417	433	405
Current Portion of Long-Term Debt	9,966	9,378	7,852	5,266	4,987	4,242	4,052	3,872	3,795	3,635
Revolving Bank Loan	9,500	9,500	2,000	45,000	25,000	20,000	-	-	-	-
Commercial Paper Notes	-	-	-	-	-	-	5,000	5,000	21,500	30,000
Total Payable from Restricted Assets Due within 1 Year	**20,581**	**19,835**	**10,961**	**51,952**	**32,138**	**25,927**	**13,068**	**9,848**	**26,334**	**36,295**
Payable From Unrestricted Assets - Due In More Than 1 Year:										
Compensated Absences	1,286	1,703	1,301	1,618	1,743	1,658	1,536	1,362	1,406	1,426
Unearned Rent	2,069	6,362	10,992	10,765	10,811	10,552	10,770	11,034	13,696	8,432
Net Pension Liability	38,666	27,916	19,082	-	-	-	-	-	-	-
Long-Term Debt, Less Current Portion, Net	71,017	80,983	100,875	68,960	74,471	83,978	88,525	92,878	98,315	102,405
Total Payable from Restricted Assets Due in more than 1 Year	**113,037**	**116,964**	**132,249**	**81,343**	**87,025**	**96,188**	**100,831**	**105,275**	**113,417**	**112,262**
Total Long-Term Liabilites	133,618	136,799	143,211	133,295	119,163	122,114	113,899	115,123	139,751	148,557
Total Liabilities	**160,183**	**164,673**	**166,822**	**152,158**	**142,301**	**141,987**	**135,036**	**142,675**	**154,554**	**169,430**
Deferred Inflows of Resources										
Deferred Gain On Bond Refunding (Net of Accumulated Amortization)	350	408	-	-	-	-	-	-	-	-
Pensions:	328	620	379	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	678	1,028	379	-	-	-	-	-	-	-
NET POSITION										
Net Investment in Capital Assets	667,630	660,463	649,278	632,328	636,187	616,650	593,782	533,246	505,509	485,199
Restricted:										
Passenger Facility Charges	15,593	4,568	-	-	-	-	-	23,387	14,559	17,929
Customer Facility Charges (Rental Cars)	53,968	52,899	43,189	-	-	-	-	-	-	-
Bond Reserves	13,502	12,725	22,087	20,901	20,639	25,030	24,336	23,355	23,438	23,955
Total Net Position - Restricted	83,063	70,192	65,276	20,901	20,639	25,030	24,336	46,742	37,997	41,883
Net Position - Unrestricted	53,193	52,958	36,697	105,719	89,138	90,902	63,652	67,868	73,145	67,573
TOTAL NET POSITION	803,886	783,613	751,251	758,949	745,964	732,582	681,770	647,856	616,651	594,655
Total Liabilities & Net Position	**$964,746**	**$949,314**	**$918,452**	**$911,107**	**$888,265**	**$874,569**	**$816,806**	**$790,531**	**$771,205**	**$764,085**

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

Source: The Authority's audited financial statements

Schedule of Insurance in Force

As of January 1, 2018

Type of Coverage	Insurer	Amount	Expiration Date
AIRPORT PROPERTY AND EQUIPMENT INSURANCE			
Building & Contents Including Mobile Equipment	XL Insurance America, Inc.	$ 665,650,809	11/01/18
LIABILITY INSURANCE			
Aviation & General	ACE Property & Casualty Insurance Co.	$ 750,000,000	11/01/18
Business Auto	The Scottsdale Indemnity Company	$ 1,000,000	11/01/18
Pollution Liability (LCK, CMH, TZR) (includes storage tank pollution)	Illinois Union Insurance Co.	$ 10,000,000	01/01/19
Public Officials & Employment Practices Liability	Federal Insurance Company	$ 10,000,000	11/01/18
Police Professional	Lexington Insurance Co.	$ 10,000,000	11/01/18
Crime	National Union Fire Insurance Co. of PA	$ 1,000,000	11/01/18
Fiduciary Liability	Federal Insurance Co.	$ 1,000,000	11/01/18
Special Accident	Federal Insurance Co.	$ 5,000,000	11/01/18
International Commercial Insurance	Vigilant Insurance Co.	$ 1,000,000	11/01/18
Surety Bonds	CAN/Western Surety Co.	$ 250,000	Various
Hotel Liability	Kinsale Insurance Company	$ 1,000,000	11/01/18
	Kinsale Insurance Company	$ 4,000,000	11/01/18
	StarStone Specialty Insurance Company	$ 10,000,000	11/01/18
WORKERS' COMPENSATION INSURANCE			
Excess Workers' Compensation	Arch Insurance Company	Statutory	11/01/18
Individual Stop Loss	United Healthcare	Unlimited	04/30/18
Aggregate Stop Loss	United Healthcare	$ 1,000,000	04/30/18

Source: The Authority's Accounting Department

Ratios of Outstanding Debt

For the 10 Years Ended December 31, 2017

(in thousands except outstanding debt per enplaned passenger)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
OUTSTANDING DEBT BY TYPE:										
Revolving Bank Loan	$9,500	$9,500	$2,000	$45,000	$25,000	$20,000	$ -	$ -	$ -	$ -
Commerial Paper Notes	-	-	-	-	-	-	5,000	5,000	21,500	30,000
General Airport Revenue Bond (GARB)	80,983	90,361	108,727	74,226	79,384	88,071	92,354	96,453	100,379	104,146
Ohio Public Works Commission	-	-	-	-	74	149	223	298	372	447
Other Debt	-	-	-	-	-	-	-	-	1,360	1,447
Total Oustanding Debt	**$90,483**	**$99,861**	**$110,727**	**$119,226**	**$104,458**	**$108,220**	**$97,577**	**$101,751**	**$123,611**	**$136,040**
Enplaned Passengers	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184	3,123	3,459
Outstanding Debt Per Enplaned Passengers	**$ 23.91**	**$ 27.29**	**$ 32.63**	**$ 37.57**	**$ 33.53**	**$ 34.09**	**$ 30.59**	**$ 31.96**	**$ 39.58**	**$ 39.33**

Source: The Authority's Accounting Department

Schedule of Debt and Obligation Coverages

For the 10 Years Ended December 31, 2017

(dollars in thousands, except coverage)

Year	Gross Revenue[1]	Operating Expense[2]	Net Revenue Available for Debt & Obligation Payments	Debt and Obligation Requirements: Principal	Interest	Total	Coverage
2017	$115,272	$(83,889)	$31,383	$9,378	$1,782	$11,160	2.81
2016	$112,873	$(75,926)	$36,947	$7,852	$3,477	$11,329	3.26
2015	$98,092	$(67,475)	$30,617	$5,266	$2,747	$8,013	3.82
2014	$89,050	$(65,517)	$23,533	$4,987	$2,846	$7,833	3.00
2013	$87,861	$(65,172)	$22,689	$4,242	$3,718	$7,960	2.85
2012	$86,443	$(61,239)	$25,204	$4,052	$3,929	$7,982	3.16
2011	$81,530	$(62,468)	$19,062	$3,872	$4,136	$8,008	2.38
2010	$80,500	$(53,719)	$26,781	$3,795	$4,425	$8,220	3.26
2009	$79,539	$(51,216)	$28,323	$3,635	$4,704	$8,339	3.40
2008	$91,657	$(54,753)	$36,904	$3,480	$5,196	$8,676	4.25

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

[2] Direct Operating Expense excludes Depreciation.

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

Source: The Authority's Accounting Department

Capital Asset Statistics By Function

For Year Ended December 31, 2017

Airport Codes:

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

	CMH	LCK	TZR
Location	6 miles East of downtown Columbus	10 miles South of downtown Columbus	8 miles Southwest of downtown Columbus
Elevation:	815 ft	744 ft	904 ft
International:	Yes: FIS facility	Yes: FIS facility	No
Tower:	24/7 daily + TRACON	24/7 daily	0730-1930 daily
FBO:	Lane, Signature	Rickenbacker Aviation	Columbus Jet
Acres (+/-):	2,271	3,956	1,307
Runways:	10L-28R: ILS, GPS 8,000 x 150 ft 10R-28L: ILS, GPS 10,113 x 150 ft	5L-23R: ILS, GPS 11,902 x 150 ft 5R-23L: ILS, GPS 12,102 x 200 ft	4-22: ILS, GPS 5,500 x 100 ft
TERMINAL:			
Airlines - sq ft	283,682		
Tenants - sq ft	72,508	706	307
Public/Common - sq ft	243,630	14,872	2,015
Mechanical - sq ft	98,478	1,054	1,290
Other - sq ft	200,839	25,819	3,078
Total - sq ft	**899,137**	**42,451**	**6,690**
Number of passenger gates	32	2	0
Number of loading bridges	29	2	0
Number of Concessionaires in Terminal	48	1	1
Number of Rental Car Agencies	8	0	0
APRON:			
Commercial Airlines - sq ft	1,387,855	0	0
Cargo Airlines - sq ft	0	3,210,300	0
FBO - sq ft	487,900	474,100	39,600
PARKING:			
Spaces Assigned:			
Garage:		Main Lot 350	
Short-term	274		
Long-term	2,975		
Shuttle/Remote Lots:		Overflow Lot 237	
Blue Lot:			
Covered	337		
Uncovered	4,035		
Red Lot	2,686		
Green Lot	2,130		
Employees	1,217		
Rental Cars (8 Rental Agencies)	1,144		
Total	**14,798**	**587**	
CARGO:			
Air Cargo Building - sq ft	60,000	212,800	0

Source: The Authority's Accounting Department

Air Commerce Trends — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2017

			IN POUNDS		
Year	Total Passenger Volume	% Change	Cargo[1]	Freight[2]	Mail
2017	7,576,592	3.4	282,117	7,844,389	3,043,960
2016	7,324,180	7.8	150,020	7,395,351	2,601,198
2015	6,796,393	6.9	254,184	7,471,160	3,658,735
2014	6,356,026	2.1	232,582	8,056,811	2,620,976
2013	6,224,348	(2.0)	377,118	7,596,259	2,876,666
2012	6,350,446	(0.4)	213,757	7,735,935	2,656,239
2011	6,378,722	0.2	66,236	7,093,122	2,256,616
2010	6,366,191	2.1	95,895	6,919,425	2,630,001
2009	6,233,485	(9.8)	74,535	7,663,839	2,633,530
2008	6,910,045	(10.5)	142,347	9,762,126	4,460,295

Source: The Authority's Business Development Department

1) Freight carried by cargo carriers
2) Freight carried in the belly of an air carrier

Air Commerce Trends — Rickenbacker International Airport

For the 10 Years Ended December 31, 2017

Year	Total Passenger Volume	% Change	Cargo (in pounds)	% Change
2017	266,624	31.2	255,961,923	26.6
2016	203,269	22.3	202,159,519	1.8
2015	166,251	81.6	198,596,025	15.9
2014	91,572	175.2	171,422,618	11.6
2013	33,269	129.9	153,670,161	(2.4)
2012	14,469	(2.8)	157,373,134	7.7
2011	14,880	40.5	146,164,909	(5.0)
2010	10,587	(19.1)	153,793,913	(2.9)
2009	13,082	(41.1)	158,450,106	(20.7)
2008	22,222	204.5	199,814,163	(9.4)

Source: The Authority's Business Development Department

Airline Cost Per Enplaned Passenger — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2017

(in thousands except airline cost per enplaned passenger)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Airline Cost for the Airfield Area	$15,813	$16,585	$16,278	$16,400	$16,404	$16,458	$16,403	$16,060	$14,809	$14,933
Airline Cost for the Terminal Building	16,610	15,044	13,513	12,735	11,977	12,014	11,007	9,820	9,194	12,556
Airline Cost for the Aircraft Parking Area	4,072	3,996	3,894	3,880	3,732	3,404	2,913	2,639	2,060	2,033
General Airline Credit	(5,884)	(5,638)	(4,804)	(7,377)	(4,461)	(4,431)	(5,853)	(3,953)	(3,275)	(3,275)
Supplemental Airline Credit	(1,000)	(3,750)	(3,250)	-	-	-	-	-	-	-
Total Airline Cost	**$29,611**	**$26,237**	**$25,631**	**$25,638**	**$27,652**	**$27,445**	**$24,470**	**$24,566**	**$22,788**	**$26,247**
Enplanements	3,785	3,659	3,393	3,173	3,115	3,175	3,190	3,184	3,123	3,459
Airline Cost per Enplaned Passenger	**$7.82**	**$7.17**	**$7.55**	**$8.08**	**$8.88**	**$8.64**	**$7.67**	**$7.72**	**$7.30**	**$7.59**

Source: The Authority's Accounting Department

NOTE: The Authority negotiated a five-year agreement effective January 1, 2015 through December 31, 2020. The rates and charges are calculated pursuant to formulas set forth in the agreement.

Air Carrier Market Shares — John Glenn Columbus International Airport

For the 10 Years Ended December 31, 2017

	Market Share Percentage 2017	Total Airline Passengers 2017	TOTAL AIRLINE PASSENGERS 2016	2015	2014	2013	2012	2011	2010	2009	2008
1 **Southwest Airlines**	36.3%	2,752,826	2,645,139	2,377,201	2,033,400	1,651,723	1,783,944	1,796,696	1,713,855	1,695,002	1,781,405
Airtran Airways [1]					77,415	423,509	381,670	380,337	394,338	363,814	37,588
2 **American Airlines Group**	24.4%	1,844,684	1,859,983	1,853,766							
American Airlines [2]			-	-	936,617	815,779	824,959	787,556	746,322	739,273	821,772
US Airways [2]			-	-	935,069	944,344	905,789	946,018	952,168	941,864	1,091,472
3 **Delta Airlines**	21.6%	1,632,707	1,606,157	1,557,554	1,470,983	1,425,673	1,482,740	1,452,169	1,430,551	883,794	1,019,877
Northwest [3]	0.0%	-	-	-	-	-	-	-	-	493,543	546,485
4 **United Airlines**	12.5%	947,266	960,786	917,109	835,235	886,253	904,514	543,080	554,292	558,088	641,690
Continental [4]	0.0%	-	-	-	-	-		340,083	423,108	436,990	460,776
5 **Frontier Airlines**	3.8%	288,602	150,504	-	472	19,113	14,516	80,860	98,673	-	-
6 **Air Canada**	0.9%	68,992	65,461	52,704	43,632	39,435	33,805	35,607	32,690	26,007	39,059
Midwest	0.0%	-	-	-	-	-	-	-		73,284	79,100
Jetblue Airways	0.0%	-	-	-	-	-	-	-	-		2,674
Skybus Airlines	0.0%	-	-	-	-	-	-	-	-	-	352,155
Commercial Total	**99.5%**	**7,535,077**	**7,288,030**	**6,758,334**	**6,332,823**	**6,205,829**	**6,331,937**	**6,362,406**	**6,345,997**	**6,211,659**	**6,874,053**
Scheduled Charter	0.1%	7,662	6,596	10,593	9,881	11,157	7,847	7,409	6,840	6,915	18,383
Non-scheduled Charter	0.4%	33,853	29,554	27,466	13,322	7,362	10,662	8,907	13,354	14,911	17,609
Charter Total	**0.5%**	**41,515**	**36,150**	**38,059**	**23,203**	**18,519**	**18,509**	**16,316**	**20,194**	**21,826**	**35,992**
Total Passenger	**100.0%**	**7,576,592**	**7,324,180**	**6,796,393**	**6,356,026**	**6,224,348**	**6,350,446**	**6,378,722**	**6,366,191**	**6,233,485**	**6,910,045**

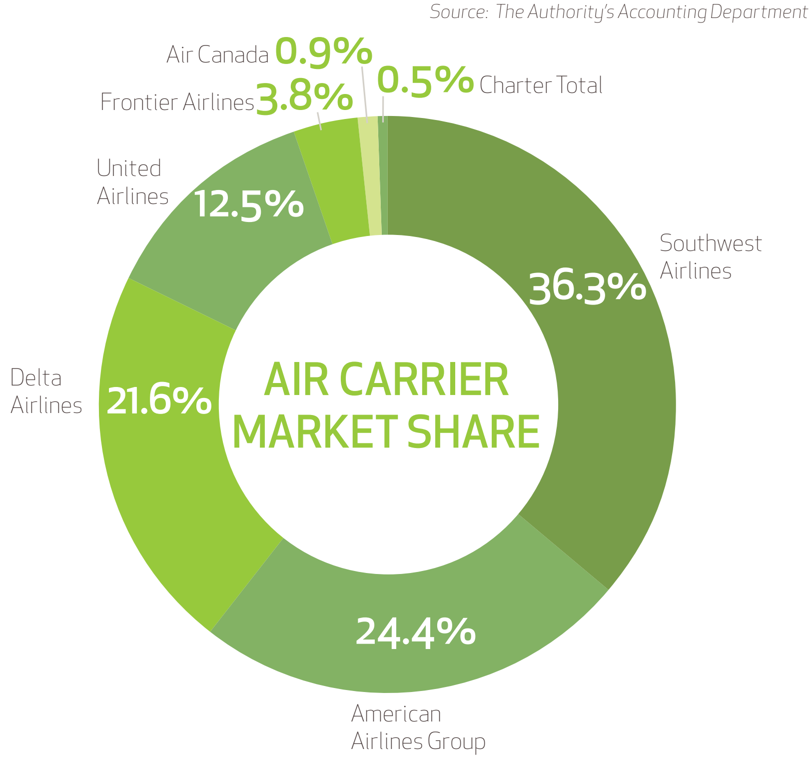
Source: The Authority's Accounting Department

[1] AirTran Airways merged with Southwest in December 2014.

[2] American Airways and US Airways merged in October 2015 to form American Airlines Group.

[3] Northwest was merged into Delta In January 2010.

[4] Continental was merged into United in March 2012.



Top Ten Customers

For Year Ended December 31, 2017

	% of 2017 Operating Revenue	2017 Revenue	2008 Revenue
Southwest Airlines [1]	8.5%	$9,602,000	$5,417,000
American Airlines Group [2]	7.9%	$8,851,000	$4,663,000
Delta Airlines [3]	6.8%	$7,664,000	$4,163,000
United Airlines [4]	4.3%	$4,801,000	$3,173,000
Avis Budget Car Rental LLC [5]	3.0%	$3,332,000	$3,935,000
HMS Host	2.4%	$2,684,000	$1,840,000
Byers Rent A Car	1.9%	$2,186,000	$2,587,000
Midwest Car Corporation [6]	1.9%	$2,134,000	$1,472,000
Enterprise Rent A Car	1.7%	$1,898,000	$852,000
Paradies	1.6%	$1,794,000	$1,401,000
Remainder	60.0%	$67,629,000	$50,780,970
Total Operating Revenue	**100.0%**	**$ 112,575,000**	**$ 80,283,970**

Source: The Authority's Accounting Department

[1] Airtran merged with Southwest in December 2014. 2008 Revenues include Airtran and Southwest for comparison.

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

[3] Northwest Airlines merged with Delta Airlines in 2010. 2008 Revenues include Delta and Northwest for comparison.

[4] Continental Airlines merged with United Airlines in 2010. 2008 Revenues include United and Continental for comparison.

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

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

Budgeted Employees By Department

For the 10 Years Ended December 31, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Administration	10	10	6	5	5	6	6	5	4	4
Airfield Services	77	76	77	82	82	79	79	75	82	82
Business Development & Communication	19	19	13	16	16	14	14	15	13	16
Facilities & Custodial	115	114	112	112	115	110	105	101	103	109
Finance, Accounting & Legal	25	25	31	29	29	29	28	27	27	30
Human Resources	11	11	9	10	10	9	7	6	6	6
Technologies	25	25	22	22	22	18	10	9	8	8
Operations	36	36	34	33	32	31	32	29	35	40
Parking & Ground Transportation	11	11	11	11	11	11	12	11	11	11
Planning & Construction Administration	24	23	21	21	21	26	24	21	24	25
Public Safety	58	57	59	59	59	62	62	65	65	69
Real Estate	13	11	11	10	7	5	5	5	4	5
Total	**424**	**418**	**406**	**410**	**409**	**400**	**384**	**369**	**382**	**405**

Source: The Authority's Payroll Department

Largest Employers in the Greater Columbus Area

Ranked by number of full time employees

		% of 2016 Employment	2016	% of 2008 Employment	2008
1	The Ohio State University	3.06%	30,804	2.39%	22,454
2	State of Ohio	2.39%	24,067	2.98%	27,961
3	Kroger Co.	2.26%	22,821	0.56%	5,215
4	OhioHealth	2.10%	21,117	1.11%	10,400
5	JPMorgan Chase & Co.	1.85%	18,600	1.68%	15,800
6	Nationwide	1.40%	14,100	1.21%	11,373
7	Nationwide Children's Hospital	1.00%	10,032	0.43%	4,080
8	Mount Carmel Health System	0.88%	8,852	0.59%	5,523
9	City of Columbus	0.87%	8,815	0.87%	8,149
10	Columbus City Schools	0.79%	8,004	0.87%	8,198
11	L Brands	0.77%	7,800	0.54%	5,100
12	Honda North America Inc	0.76%	7,700	0.79%	7,400
13	Franklin County	0.70%	7,040	0.55%	5,207
14	Huntington Bancshares Inc.	0.58%	5,848	0.35%	3,319
15	Cardinal Health Inc	0.52%	5,197	0.39%	3,674
16	American Electric Power Company Inc.	0.40%	4,015	0.46%	4,332
17	U.S. Postal Service	0.36%	3,598	0.54%	5,100
18	Giant Eagle Inc	0.35%	3,540	0.15%	1,370
19	Alliance Data	0.30%	3,057	0.21%	2,014
20	Abercrombie & Fitch Co.	0.29%	2,895	0.24%	2,268
21	South-Western City School District	0.25%	2,553	0.26%	2,479
22	YMCA of Central Ohio	0.25%	2,518	0.00%	-
23	DLA Land and Maritime	0.25%	2,500	0.00%	-
24	Verizon	0.24%	2,406	0.00%	-
25	Discover Financial Services LLC	0.24%	2,394	0.11%	1,040
	Other Employers	77.16%	777,627	82.70%	776,944

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

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

- Not listed within the top 100

Estimated Civilian Labor Force and Annual Average Unemployment Rates

For the 10 Years Ended December 31, 2017

(labor force in thousands)

	FRANKLIN COUNTY		COLUMBUS MSA[1]		OHIO		U.S.
Year	Labor Force[2]	Unemployment Rate[3]	Labor Force[2]	Unemployment Rate[3]	Labor Force[2]	Unemployment Rate[3]	Unemployment Rate[3]
2017	676.0	4.0%	1,069.7	4.0%	5,761	5.0%	4.4%
2016	663.6	4.0%	1,051.0	4.1%	5,713	4.9%	4.9%
2015	654.9	4.1%	1,037.3	4.2%	5,692	4.9%	5.3%
2014	646.8	4.9%	1,027.0	4.9%	5,698	5.8%	6.2%
2013	639.6	6.4%	1,017.3	6.5%	5,715	7.5%	7.4%
2012	630.1	6.4%	1,003.9	6.5%	5,706	7.4%	8.1%
2011	627.4	7.8%	1,003.8	7.8%	5,771	8.8%	8.9%
2010	626.8	8.9%	1,004.3	9.0%	5,847	10.3%	9.6%
2009	625.0	8.5%	994.8	8.7%	5,907	10.3%	9.3%
2008	625.0	5.5%	995.8	5.7%	5,965	6.4%	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 10 Years Ended December 31, 2017

Year	FRANKLIN COUNTY			COLUMBUS MSA(1)			OHIO			U.S.
	Personal Income (in thousands)(2)	Population (in thousands)(3)	Per Capita Personal Income(4)	Personal Income (in thousands)(2)	Population (in thousands)(3)	Per Capita Personal Income(4)	Personal Income (in thousands)(2)	Population (in thousands)(3)	Per Capita Personal Income(4)	Per Capita Personal Income(4)
2017	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
2016	60,886,540	1,265	48,150	97,432,153	2,042	47,725	517,918,190	11,614	44,593	49,246
2015	59,175,177	1,250	47,330	94,753,622	2,020	46,904	508,379,906	11,605	43,807	48,451
2014	55,996,804	1,233	45,401	89,780,293	1,997	44,962	489,250,952	11,594	42,197	46,494
2013	53,291,536	1,215	43,870	85,875,876	1,970	43,589	470,745,086	11,570	40,687	44,493
2012	52,699,050	1,198	44,002	84,254,760	1,946	43,287	465,139,834	11,551	40,269	44,282
2011	48,854,609	1,180	41,401	78,872,964	1,926	40,955	448,119,917	11,545	38,816	42,461
2010	45,080,712	1,166	38,650	73,062,397	1,907	38,322	419,569,872	11,541	36,355	40,277
2009	43,749,144	1,155	37,865	70,932,363	1,888	37,579	410,538,372	11,529	35,610	39,376
2008	44,682,923	1,141	39,155	72,036,718	1,866	38,612	422,401,501	11,515	36,681	41,082

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

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

(NA) Data not available for this year.

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

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

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

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

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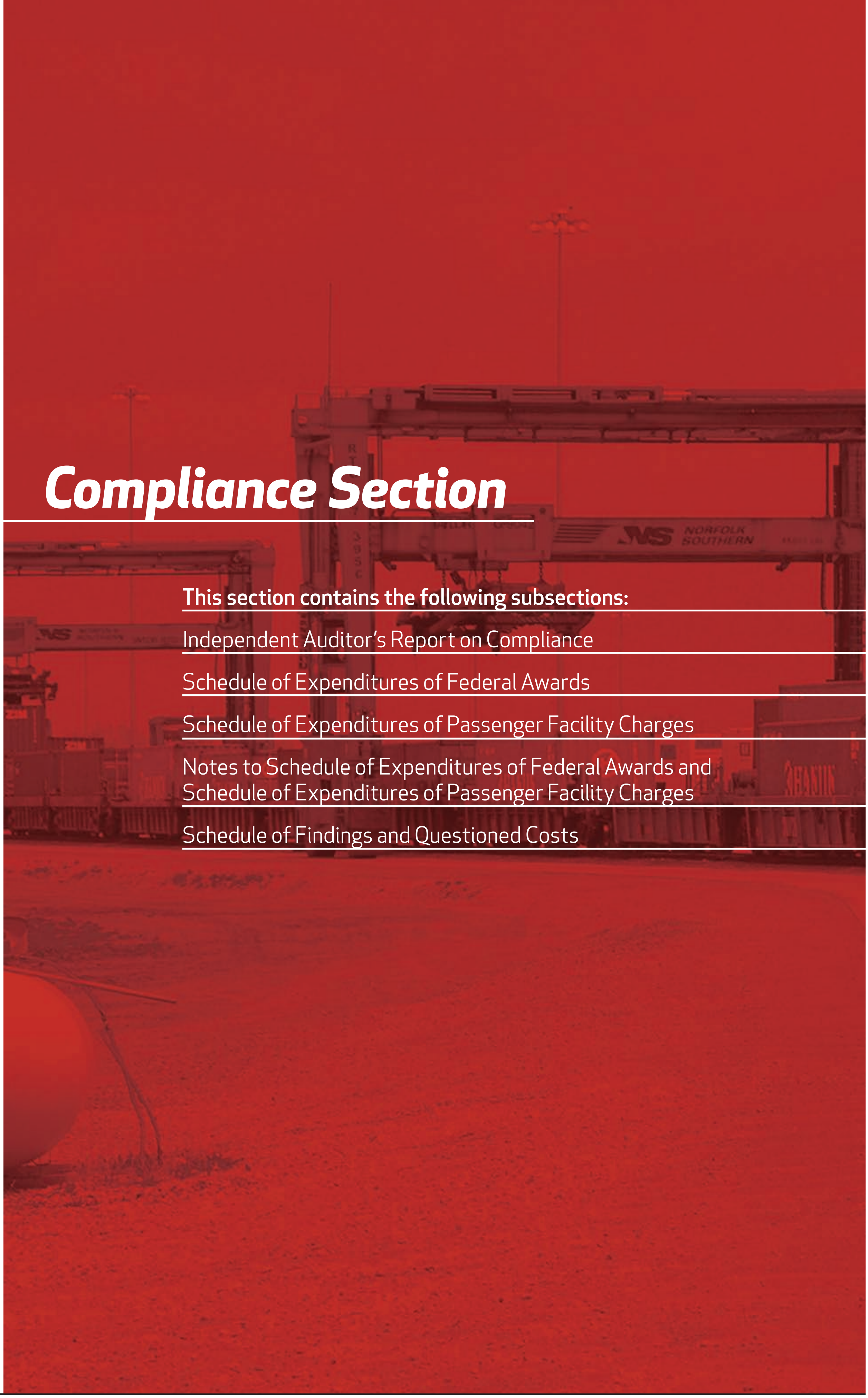

Compliance Section

This section contains the following subsections:

Independent Auditor's Report on Compliance

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Passenger Facility Charges

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

Schedule of Findings and Questioned Costs

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

Independent Auditor's Report

To Management and the Board of Directors
Columbus Regional Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbus Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 20, 2018.

Internal Control Over Financial Reporting

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

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

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

To Management and the Board of Directors
Columbus Regional Airport Authority

Compliance and Other Matters

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

Purpose of this Report

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

Plante & Moran, PLLC

March 20, 2018

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

Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

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

We have audited Columbus Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended December 31, 2017. In addition, we audited compliance with the applicable requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide") for the year ended December 31, 2017. Columbus Regional Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge expenditure schedule.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Columbus Regional Airport Authority's major federal program and passenger facility charge program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"); and the applicable requirements described in the Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration (the "Guide"). Those standards, the Uniform Guidance, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Columbus Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program and Passenger Facility Charge Program

In our opinion, Columbus Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and passenger facility charge program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Plante & Moran, PLLC

March 20, 2018

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Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2017

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

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Total Amount Provided to Subrecipients	Federal Expenditures
DEPARTMENT OF TRANSPORTATION					
Direct:					
Federal Aviation Administration - Airport Improvement Program (AIP):	20.106				
Replace Runway 10R/28L & Conversion to Taxiway (CMH)		3-39-0025-79	$ 1,300,860	$ -	$ -
Replace Runway 10R/28L & Conversion to Taxiway (CMH)		3-39-0025-80	1,153,391	-	1,153,391
Replace Runway 10R/28L & Conversion to Taxiway (CMH)		3-39-0025-81	1,152,346	-	1,152,346
Runway 10R/28L Rehab & Shoulder Improvements (CMH)		3-39-0025-82	322,967	-	322,967
VALE Infrastructure (CMH)		3-39-0025-83	135,590	-	409,991
Replace Runway 10R/28L & Conversion to Taxiway (CMH)		3-39-0025-84	732,018	-	732,018
Replace Runway 10R/28L & Conversion to Taxiway (CMH)		3-39-0025-85	474,679	-	474,679
Rehab Apron B & Update Pavement Management Mgmt Program (TZR)		3-39-0026-23	10,934	-	10,934
Rehab R/W 4-22, Rehab Connector Taxiways (TZR)		3-39-0026-24	67,931	-	67,931
Update Airport Master Plan Study (LCK)		3-39-0117-42	439,471	-	439,471
LCK MOS Ph 1A & 1B Improv. & Update Pavement Mgmt (LCK)		3-39-0117-43	4,942,185	-	4,942,185
Subtotal Federal Aviation Administration			**10,732,372**	**-**	**9,705,913**
Pass Through:					
Ohio Dept. of Transportation - Highway Planning & Construction	20.205	LPA#23903	18,693	-	-
Subtotal Ohio Department of Transportation			**18,693**	**-**	**-**
National Highway Traffic Safety Administration - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	DUI FFY 2017	3,086	-	3,086
Subtotal National Highway Traffic Safety Administration			**3,086**	**-**	**3,086**
TOTAL DEPARTMENT OF TRANSPORTATION			**10,754,151**	**-**	**9,708,999**
DEPARTMENT OF JUSTICE					
Direct:					
Drug Enforcement Agency - Equitable Sharing Program	16.922	N/A	9,880	-	145,609
TOTAL DEPARTMENT OF JUSTICE			**9,880**	**-**	**145,609**
TOTAL FEDERAL AWARDS			**$ 10,764,031**	**$ -**	**$ 9,854,608**

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, 2017

Program	Receipts	Expenditures
Passenger Facility Charges	$ 13,818,170	$ 3,181,789

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, 2017

Note 1 - *Summary of Significant Accounting Policies*

General — The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges present the activity of all federal assistance programs of the Columbus Regional Airport Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The Authority has not elected to use the 10-percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 2 - *Basis of Accounting*

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

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Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2017

Section I - *Summary of Auditor's Results*

1. The independent auditor's report on the financial statements expressed an unmodified opinion.

2. No significant deficiencies or material weaknesses in internal control over financial reporting were identified.

3. No instance of noncompliance considered material to the financial statements was disclosed.

4. No significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.

5. The independent auditor's report on compliance with requirements applicable to major federal award programs expressed an unmodified opinion.

6. The audit disclosed no findings, which are required to be reported by Section 2 CFR 200.516 (a).

7. The organization's major program was:

   Airport Improvement Program ("AIP") (CFDA #20.106).

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. The Auditee did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

Section II - *Financial Statement Findings Section*

No matters were noted.

Section III - *Federal Award Findings and Questioned Cost Section*

No matters were noted.

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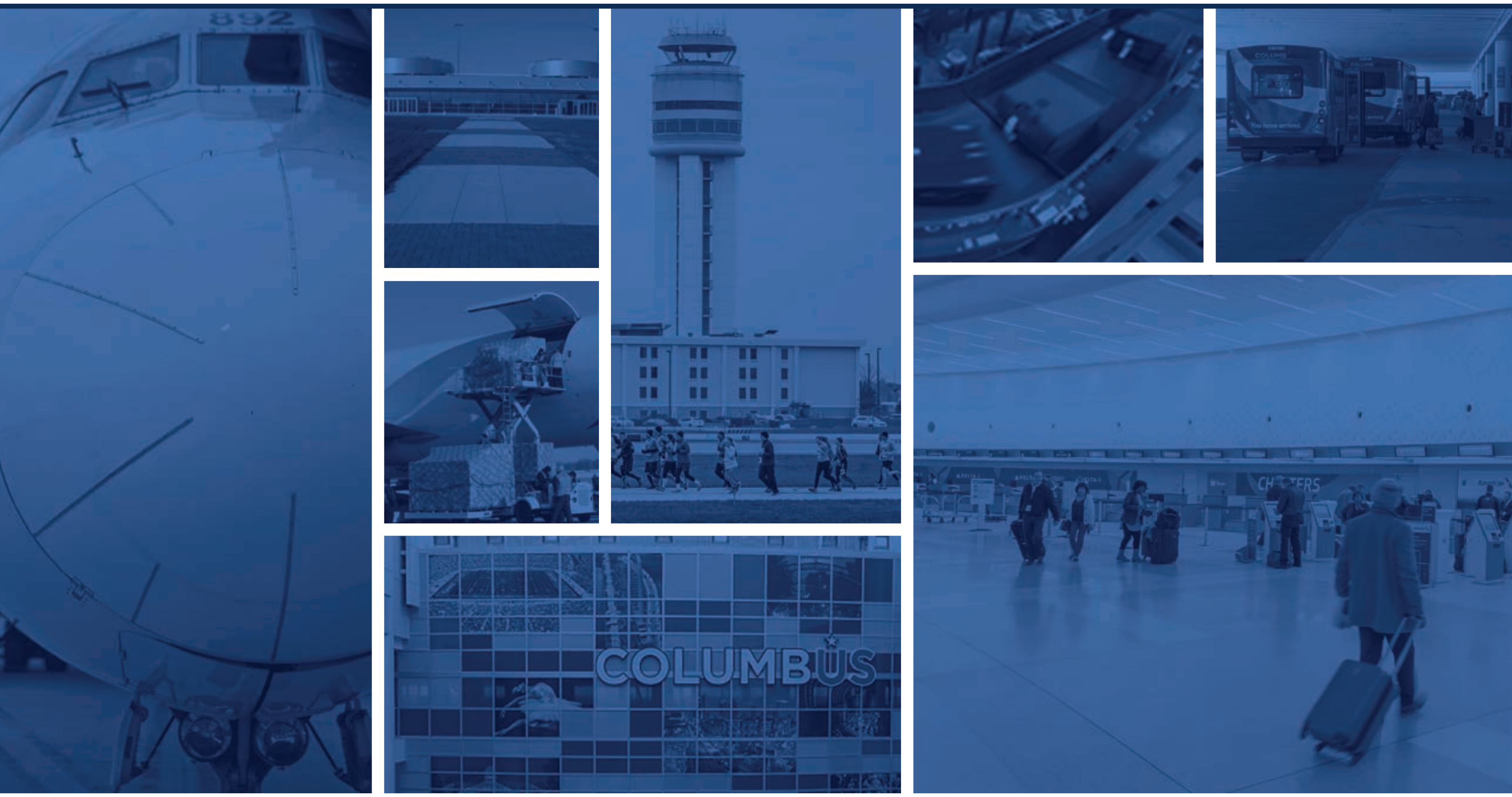
STARBUCKS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COLUMBUS

COLUMBUS
REGIONAL AIRPORT AUTHORITY

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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
MAY 29, 2018