



SAVANNAH HILTON HEAD

INTERNATIONAL



COMPREHENSIVE ANNUAL FINANCIAL REPORT

SAVANNAH, GA
YEARS ENDED DECEMBER 31, 2014 AND 2013

flySAV.com



SAVANNAH AIRPORT COMMISSION

Comprehensive Annual Financial Report Years Ended December 31, 2014 and 2013

Prepared By: Finance Department
Savannah, Georgia

Airport Website: www.savannahairport.com

Savannah Airport Commission

Table of Contents

	<u>PAGE</u>
Introductory Section	
Letter of transmittal	A - 1
Air service map 2014	A - 13
Air service map 2013	A - 15
Principal officials	A - 16
Organization chart	A - 17
Certificate of Achievement for Excellence in Financing Reporting	A - 18
Financial Section	
Independent Auditor's Report	B - 1
Management's Discussion and Analysis	C - 1
Basic financial statements:	
Statements of net position	D - 1
Statements of revenues, expenses, and changes in net position	D - 3
Statements of cash flows	D - 4
Notes to financial statements	D - 7
Supplementary Information:	
Schedules of cost center operations and administrative expenses	E - 1
Statistical Section (Unaudited)	
Total annual revenues, expenses and changes in net position	F - 2
Major employers in primary air trade area	F - 4
Revenue bond coverage	F - 5
Ratios of outstanding debt	F - 6
Demographic statistics	F - 8
Industry specific trend data	F - 9
Airline landed weights	F - 10
Enplaned passengers	F - 12
Aircraft operations	F - 14
Airlines serving the Savannah/Hilton Head International Airport	F - 15
Principal customers	F - 16
Miscellaneous statistical information	F - 18

Savannah Airport Commission

Table of Contents (cont.)

	<u>PAGE</u>
Compliance Section	
Report 1 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	G - 2
Report 2 Report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133	G - 4
Report 3 Independent auditor's report on compliance with the revenue use requirements of 49 U.S.C. Section 47107(B) and the Federal Aviation Administration's policy and procedures regarding the use of airport revenues	G - 6
Schedule 1 Schedule of expenditures of federal awards	G - 8
Notes to schedule of expenditures of federal awards	G - 9
Schedule 2 Schedule of findings and questioned costs	G - 10
Report 4 Independent auditor's report on compliance with requirements applicable to the passenger facility charge program and on internal control over compliance	G - 11
Schedule 1 Schedule of passenger facility charges	G - 13

- Letter of Transmittal
- Air Service Map 2014
- Air Service Map 2013
- Principal Officials
- Organization Chart
- Certificate of Achievement for Excellence in Financial Reporting



SAVANNAH HILTON HEAD INTERNATIONAL



SAVANNAH
AIRPORT
COMMISSION

TO: Savannah Airport Commissioners
Airport Attorney

DATE: June 22, 2015

SUBJ: Commission's Comprehensive Annual Financial Report

CHAIRMAN
Sylvester C. Formey

VICE-CHAIRMAN
Stephen S. Green

COMMISSIONERS
Shirley B. James
Sheldon Tenenbaum
Lois C. Wooten

LEGAL COUNSEL
James B. Blackburn

EXECUTIVE DIRECTOR
Gregory B. Kelly, A.A.E.

ASSISTANT
EXECUTIVE DIRECTOR
John Rauback, A.A.E.

In accordance with state statutes and local charter provisions, we hereby submit the Comprehensive Annual Financial Report (CAFR) of the Savannah/Hilton Head International Airport for the year ended December 31, 2014. Responsibility for both the accuracy of the information contained in this report and the completeness and fairness of the presentation, including all disclosures, rests with the Savannah Airport Commission (Commission). To the best of our knowledge and belief, and as indicated by the opinion of our independent auditors, the report is accurate in all material aspects and presents the Commission's financial position, the results of operations and cash flows. It also includes disclosures necessary to enable the reader to gain the maximum understanding of the Commission's financial affairs. This report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and in conformity with generally accepted accounting principles (U.S. GAAP) promulgated by the Government Accounting Standards Board (GASB).

The independent audit of the financial statements is part of the broader mandated provisions of the Single Audit Act of 1984, as amended in 1996, and the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as it pertains to federal financial awards received from the U.S. Government and in conformity with the provisions of the November 1994 Audit Compliance and Reporting Guide for Public Agencies relative to the collection and use of Passenger Facility Charges. The independent auditor has to not only report on the fair presentation of the financial statements but also on the Commission's internal controls and compliance with legal requirements, with special emphasis involving the administration of federal awards. See the independent auditor's reports presented in the compliance section of this report.

GASB requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditor in the Financial Section of this report.

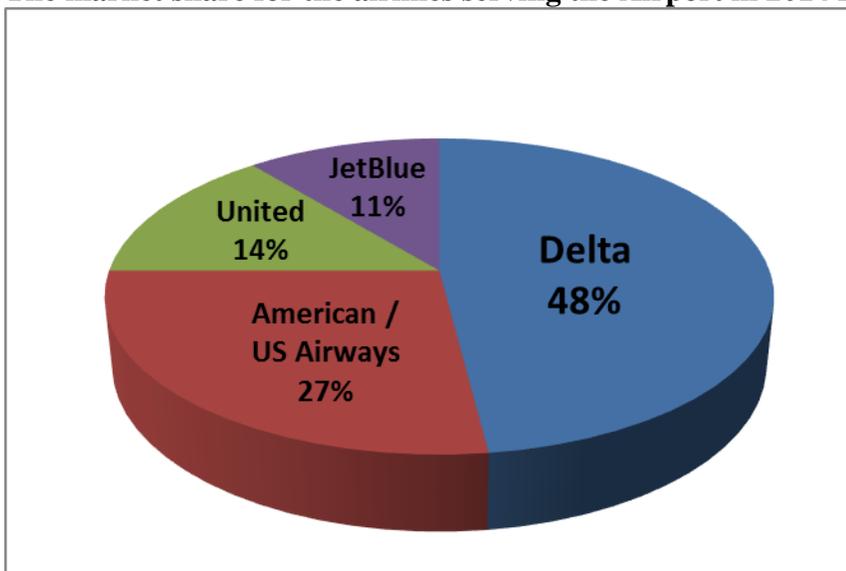
Description of Airport/Reporting Entity

In 1940, the City of Savannah acquired a 600-acre tract to construct an airfield but before it was completed, the United States was drawn into WWII. The U.S. Army Air Corps took over construction and named the airfield Chatham Field. After WWII ended, the airfield was turned over to the Georgia Air National Guard and renamed Travis Field. In 1949, the City of Savannah received a quitclaim deed to Travis Field and that same year the Savannah Airport Commission was enacted by an act of the Georgia State Legislature. The Commission is a corporate body politic, operating as a stand-alone enterprise. The Commission is an agency of the City of Savannah. The Mayor and City Council of the City of Savannah appoint five Commissioners to serve five-year staggered terms. The financial reporting entity of the Commission includes all activities related to the operation and maintenance of the Savannah/Hilton Head International Airport.

Economic Condition/Airline Activity/Enplanements

2014 was an outstanding year for the airline industry. The previous record for enplanements that was set in 2007 was broken in 2014 with an all-time high of 848.1 million scheduled service passengers. Along with the rise in enplanements, the airlines saw another profitable year while they worked towards reducing their debt and investing in their workforces and fleets to more successfully meet consumer demands. The Savannah/Hilton Head International Airport had a significant increase in available seats, total passengers and enplanements for 2014 vs. 2013. The airlines offered 1,172,334 seats in 2014 vs. the 1,041,740 offered in 2013, an increase of 12.5%. The load factor also increased to 82% in 2014 compared to a load factor of 79% in 2013. Total enplanements for 2014 were 963,385 vs. 823,494 for 2013, a dramatic increase of 17%. Total passengers for 2014 were 1,916,561 vs. 1,642,088 for 2013, also a large increase of 16.7% compared to last year. Following the trend, the number of daily departures increased to 41 in 2014 compared to 37 in 2013. During 2014, American/US Airways, Delta Airlines, JetBlue Airways, and United Airlines served the community.

The market share for the airlines serving the Airport in 2014 follows:



Delta Air Lines (Delta, Compass, Endeavor, GoJet, Express Jet, and Shuttle America) had a market share of 48% for the year, followed by American Airlines/US Airways (Republic Airlines, Mesa, PSA Airlines, Air Wisconsin, and Piedmont) with 27%; United (Mesa and Express Jet) captured 14%; JetBlue took 11% of the market share.

Throughout 2014, the Savannah/Hilton Head International Airport and other regional airports across the United States were experiencing the effects of the global economy still working to recover from the recession. In addition, airline mergers and consolidations are continually causing issues for airport growth. However, the Savannah/Hilton Head International Airport has been diligently working to attract new airlines and lower fares to increase passenger traffic and grow the airport. As of December 31, 2014, enplanements were well above 2013, with a significant increase of 17% and available seats were up with an increase of 12.5% over 2013. Our budgeted 2015 enplanements show an increase of 7% compared to 2014. Our first quarter 2015 passenger traffic results have increased by 6.36% compared to 2014. This is most likely a result of JetBlue Airways beginning new service at the Savannah/Hilton Head International Airport in February of 2014. In the beginning of 2015, the Savannah Hilton/Head International Airport was awarded the Anna Aero Airport Traffic Growth Award for being the fastest growing small airport in 2014. Based on our first quarter 2015 load factor of 77.19% and our first quarter enplanements already ending on target, we hope to see yet another large increase in enplanements over the previous year by adding air service from Allegiant and other additional air carriers.

Airport Highlights

In January of 2014, Gregory B. Kelly was appointed as the Executive Director and Secretary of the Savannah Airport Commission.

The Runway Visual Range Finder was accepted, commissioned and put into service during the afternoon of January 9, 2014.

SAV added six parking spaces for Tesla supercharging stations during the month of January 2014.

In February of 2014, JetBlue launched service to New York (JFK) and Boston.

A Lightning Detection System was installed at SAV during the month of February 2014.

In March of 2014, John F. Rauback was promoted to Assistant Executive Director and Assistant Secretary of the Savannah Airport Commission.

SAC Police Officers Annuity Benefit (POAB) was established by the State of Georgia during the month of April 2014.

During the second quarter of 2014, the Savannah/Hilton Head International Airport held a full scale emergency response disaster drill.

In May of 2014, Mayor and Aldermen of the City of Savannah reappointed Chairman Sylvester C. Formey to the Commission for another five-year term.

Also during the second quarter of 2014, SAV was selected to host a nine-member contingent from Brazil for an Airport Management and Best Practices Tour.

The Savannah Airport Commission hosted the 3rd Annual Chatham County Youth Commission Aviation Day in July of 2014.

SAV launched a responsive website during the third quarter of 2014.

In August of 2014, the Savannah Airport Commission acquired their first K-9 bomb detection officer, Officer Barney.

In September of 2014, Tapia Cigars held their grand opening celebration.

The USO Military Reception Center was dedicated in November of 2014.

In December of 2014, American Airlines picked up military families for the Snowball Express.

Major Initiatives

The AIP-51 Entitlement Grant was awarded on August 12, 2010, for 2010 entitlements of \$2,138,852. This grant included three projects. The first project was the final costs of the GA Connector Taxiway/Site Development. The total actual project cost was \$3,534,882. At the end of 2012, this project was completed. The FAA funded \$3,047,084 (through AIP grants 50 & 51) and the remaining costs were funded by PFC funds totaling \$487,798. The second project was the North Aviation Development (“NAD”) Environmental Assessment. The project cost was \$214,046 with FAA funding of \$203,344 and remaining costs were funded by PFC Funds. The third project was the Airport Master Plan Update. The total project cost was \$695,705 with FAA funding of \$660,000 and PFC funding of \$31,250. The remaining expense of \$4,455 was funded by the Savannah Airport Commission, which will be reimbursed by PFC funds in a future year. Project closeout documentation will be submitted to the FAA for the AIP-51 grant in March of 2015.

The AIP-54 Entitlement Grant was awarded on September 16, 2013 in the amount of \$4,450,826. This total is comprised of \$3,750,826 of Entitlement Funds and \$700,000 of Discretionary Funds. The entitlement portion of the AIP-54 grant will provide reimbursement for three projects associated with the North Aviation Development project. These projects include the Extension of Taxiway A, Taxiway H, and the Relighting of Runway 10-28. The discretionary portion of AIP-54 will be used to construct Runway 1 Perimeter Road, Add Two AOA Access Gates, and Perform Runway Safety Area Improvements, all of which have an estimated total project cost of \$1,637,660. This project will be funded through AIP-54, GADOT funds, PFC funds, and also AIP funds from a future application. Project closeout documentation for the AIP-54 grant will be submitted to the FAA during the second or third quarter of 2015.

The AIP-55 Entitlement Grant was awarded on July 9, 2014 in the amount of \$3,756,562 of entitlement funds. All of the entitlement funds from the AIP-55 grant have been designated to reimburse the Savannah Airport Commission for the remaining expenses of constructing Taxiway H, which was part of the North Aviation Development project. The Construction of Taxiway H

was also funded through the AIP-54 Entitlement Grant and through PFC funds. Project closeout documentation was submitted to the FAA for the AIP-55 grant in September of 2014.

A schedule of the AIP projects that are currently open follows:

	PROJECTED COST	FAA GRANT SHARE	PFC SHARE	STATE SHARE	AIRPORT SHARE
<u>FAA AIP-51 (8/12/10 Awarded)</u>					
<u>2010 Entitlement Funds</u>					
GA Connector Taxiway/Site Development	\$3,534,882	\$3,047,084	\$487,798	\$0	\$0
North Development Environmental Assessment	\$214,046	\$203,344	\$10,702	\$0	\$0
Airport Master Plan Update	\$695,705	\$660,000	\$35,705	\$0	\$0
<u>FAA AIP-54 (9/16/2013 Awarded)</u>					
<u>2013 Entitlement & Discretionary Funds</u>					
NAD: Reimburse Taxiway A Extension	\$16,899,687	\$14,569,759	\$2,329,928	\$0	\$0
NAD: Reimburse Taxiway H	\$6,079,271	\$5,471,343	\$607,928	\$0	\$0
NAD: Relight Runway 10-28	\$196,094	\$154,837	\$41,257	\$0	\$0
Runway 1 Perimeter Road/Add 2 AOA Access Gates/Runway Safety Area Improvements	<u>\$1,542,005</u>	<u>\$1,425,291</u>	<u>\$44,932</u>	<u>\$71,782</u>	<u>\$0</u>
Total Cost	\$29,161,690	\$25,531,658	\$3,558,250	\$71,782	\$0

The costs detailed above include total projected costs, and the construction contract commitments (Note 8) in the auditor report are authorized contractor project costs through December 31, 2014.

Financial Information

In developing and evaluating the Commission’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Airline Primary Rates and Charges

Effective January 1, 2010, a new five-year Airline Use and Lease Agreement was adopted with a major change in the rates and charges. The Airline Use and Lease Agreement with the signatory and non-signatory airlines Rates and Charges section was simplified and fixed rates were established for the next five years. The fixed rates are based on our past residual rate-making methodology for the airfield (landing fee calculation) and a hybrid residual rental rate methodology for the terminal and apron (rental rate calculation) but with a discount. Airlines and the Airport agreed upon the fixed annual rates and charges for Primary and Affiliated airlines as stated in the table below. Under the new agreement, rates increase annually based on estimated increases in enplanements, with the enplanements of fiscal year 2009 as the base. If the total annual enplanements at any time during the contract period increase or decrease by twenty-five (25%) percent or more, either the Airlines or Airport may request a renegotiation of the rates.

Airline Rates	2010	2011	2012	2013	2014
Terminal	\$ 48.50	\$ 49.50	\$ 50.50	\$ 51.50	\$ 52.50
Landing Fee	\$ 2.20	\$ 2.30	\$ 2.40	\$ 2.50	\$ 2.60
Apron Fee	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Fuel Farm Fee	\$.025	\$.025	\$.025	\$.025	\$.025

- 1) **Terminal Rental Rate:** This fee is for terminal square footage rental rate each year that will be applied to the space leased by airlines and other tenants who lease Airline space on a square foot basis.
- 2) **Landing Fee:** This fee is charged to each airline based on the airline's number of landings at the Airport times the maximum certified landing weight of each aircraft (per 1,000 pounds).
- 3) **Apron Fee:** This fee is charged to each airline based on the number of gates assigned to them for the use of parking of aircraft and support vehicles and the loading and unloading of their aircraft. It is based on a per gate/per year fee.
- 4) **Fuel Flowage Fee:** The Savannah/ Hilton Head International Airport maintains the fuel farm, which is necessary for fueling commercial jet aircraft at the Airport. The fuel farm is operated by Airport Staff in accordance with state and local regulations and, additionally, in accordance with a standard operating agreement with each airline. The fuel farm flowage fees are established each year based on anticipated expenses divided by volume.

Capital Financial Planning

The Savannah Airport Commission has a five-year Airport Capital Improvement Plan (Strategic Plan) for the years 2015 – 2019 totaling \$115 million. The Strategic Plan consists of \$63 million for airside projects, \$51 million for terminal improvements, and \$1 million for miscellaneous projects and improvements. Many of the projects included are dependent on their eligibility for available federal and state funding. Therefore, the projected timing for starting each project is dependent upon the Airport's growth and ability to obtain adequate funding. The remaining projects, if initiated, will require future federal and state entitlement and discretionary funds, plus Passenger Facility Charges and Airport funds.

All the projects included in the five-year capital plan are designed to meet the objectives as set forth in the Airport's Master Plan and Safety Improvement Program. All projects have or will be subject to a Federal Environment Assessment (FEA) pursuant to the National Environmental Policy Act of 1969 (NEPA). Specific airfield-related projects eligible for federal or state funding support will also be subject to Federal Aviation Administration review and approval.

The total effect any capital plan will have on future operating budgets is evaluated at the time a specific project is authorized by the Commission to be started unless a project is mandated for safety or health purposes. All other projects are undertaken based on a cost-benefit analysis. All capital projects completed in 2014, or scheduled for completion in 2015, have their projected additional operating costs and related revenues incorporated into the Commission's 2015 operating budget.

Operating Financial Planning

As part of preparing its operating budget each year, the Commission prepares a multi-year projection of revenues and expenses covering the next five years. The projections normally include an annual compounded growth rate of 3% to 5% for enplanements and revenues, with operating expense projections ranging from 3% to 5% annually. For our 2015 budget, our enplanements are projected to increase from 2014 by 6.9%. Gift Shop (3.5%), Food & Beverage (9.1%), Rent A Car (4.2%), and Auto Parking (6.5%) revenues are all projected to increase in the 2015 budget to reflect the projected increase in passenger traffic from the anticipated additional enplanements. Our projected operating expenses also increased in the 2015 budget by 9.2%. The increases are mainly due to Marketing & Air Service Initiatives, rising medical insurance costs, and a slight increase in labor costs due to cost of living adjustments and new positions/promotions.

Financial Controls

In 2010, the Commission and airlines had negotiated and implemented a new Airline Agreement. In past years, the Airport-Airline Operating Agreements executed between the airlines and the Commission included a majority-in-interest (MII) provision, allowing airlines to approve or disapprove certain capital projects. Airline rates and charges were calculated with a residual rate-making methodology for the airfield and a hybrid residual methodology for the terminal and apron. The Airport executed new Airline Operating Agreements which replaced “Signatory” airlines with “Primary” airlines. The new agreements eradicated the MII provision and instead structured new, five-year agreements with the Primary airlines based on a fixed monthly rate and pre-established annual adjustments. In addition, new financial controls were added to the agreements requiring that the Primary airlines be responsible for any and all charges incurred by their respective affiliate airlines.

Debt Administration

The financial reporting structure of the Commission includes the establishment of funds as outlined in the Bond Covenants for the 1992 Airport Revenue Bond Issue and as agreed between the Commission Staff and the Airport Affairs Committee. On October 4, 2001, the Commission concluded an advance refunding of the 1992 Series A & B Revenue Bonds. On June 29, 2011, the Commission issued \$15,010,000 in revenue bonds, Series 2011 A and Series 2011 B (AMT) to advance refund the \$15,630,000 of outstanding Series 2001 A and 2001 B bonds. By refinancing the Series 2001 A and 2001 B bonds, the Airport was able to reduce total expenses by \$1.1 million. In 2014, the Series 2011 B (AMT) bonds were paid off. The 2011 Revenue Bond Series A & B Issues have somewhat the same covenants as the 2001 Revenue Bond Issues A & B; however, new covenants replace the insurance policy with an additional Debt Service reserve account. A brief explanation of the funds follows:

Revenue Fund: This fund requires a deposit of all gross income into the Revenue Fund. The monies in this fund are to be used for the following purposes and in the following order of priority. After making all the deposits described below, the remaining balance is to be transferred to the General Fund.

- **Operation & Maintenance Fund (O & M Account and O & M Reserve Account):** This fund requires a deposit equal to the anticipated annual expenditures on a periodic basis and an additional amount necessary to maintain three months or 25% reserve for ordinary expenses. Expenditures are made on monthly expenses with the balance maintained being sufficient to meet a three-month reserve requirement.
- **Debt Service Fund (Bond Principal & Interest Account and Debt Service Reserve Account):** This fund requires a deposit in an amount sufficient to pay annual principal and interest on the Airport Revenue Bonds in an amount equal to debt service as required in the Bond covenants. It also requires a reserve equal to 25% times the yearly Principal & Interest Bond payment due for the year. Payments on the 2011 Bonds are made twice annually (June and December).

- In addition, with the refunding of each Series 2001 Bonds, the segment on bond insurance policy secured from Financial Security Assurance, Inc. that was purchased by the Commission to guarantee the payment of principal and interest was deleted. With respect to the Series 2011 Bonds, the Airport had to create and establish a Debt Service Reserve Account 2011 to deposit \$1,501,000, 10% of total principal (\$15,010,000), into a reserve account on the date of issuance of 2011 bonds.
- **Renewal & Replacement Fund:** As agreed upon by the Staff and the Airport Affairs Committee, the Renewal & Replacement Fund is set at \$2 million each year. Funds are deposited on an annual basis in an account to equal capital needs for the Airport for the period in question with payments for capital expenditures.
- **General Fund:** Deposits are made for all remaining revenues directly from the Revenue Fund and any other miscellaneous sources of revenue not covered in other funds operated by the Airport.

Government Financial Policies

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 which replaces the previous Statement No. 27 and No. 50 concerning how state and governmental employers must account for pension plans that are administered through trusts or equivalent arrangements. GASB Statement No. 68 set policies regarding how liabilities, deferred outflows and inflows of resources, and expenses/expenditures should be measured and recognized. This statement applies to all fiscal years beginning after June 15, 2014.

GASB also issued Statement No. 69 dealing with government combinations and disposals of government operations. In all financial reporting periods beginning after December 15, 2013, all state and local government entities will have guidelines for determining gains or losses on disposals of government operations and measuring assets and liabilities in government mergers and acquisitions.

Statement No. 70 was issued by the Governmental Accounting Standards Board to offer guidance on situations where state or local governments offer non-exchange financial guarantees or receive guarantees on their own obligations. Effective with all reporting periods beginning after June 15, 2013, state or local government entities must now recognize a liability in circumstances where the likelihood is over 50% that they may be required to make payments on their obligation.

Other Information

Technological Advances:

In 2012, design for technical improvements began which included a six-phase Airport IT major upgrade project. This project consists of enhancements to the Airport's network infrastructure and the public Wi-Fi service. In addition, the Airport will install a new Distributed Antenna System (DAS), which will allow us to have 4G connectivity throughout the Airport and a new IP-

based telephone system will be installed. The Wi-Fi portion of the upgrade is projected to be completed in 2015.

In 2014, the video wall at the Visitor Center was expanded to provide a larger and more impressive way to display information, pictures, and important messages to passengers visiting the Savannah/Hilton Head International Airport.

Independent Audit:

The Commission and state & federal regulations require an annual audit of the financial records of the Commission by an independent certified public accountant selected by the Commission. The accounting firm of Hancock Askew & Co., LLP, was selected to perform the audit. The audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133. The auditor's report on the basic financial statements and schedules is included in the financial section of this report. The auditor's reports on compliance are found in the compliance section of this report.

Awards:

The Savannah/Hilton Head International Airport received an Honorable Mention for the Video/Entertainment Category at the Hermes Creative Awards 2014 competition for the Patrick S. Graham Retirement Video. The international competition, administered by the Association of Marketing and Communication Professionals (ACMP), recognizes outstanding work in conceptualizing, writing and design of traditional and emerging media. Over 5,500 entries were received in 2014.

The Savannah/Hilton Head International Airport also received anna aero's Cake of the Week award to celebrate the much anticipated launch of JetBlue service from JFK and BOS. Every week anna aero presents the coveted Cake of the Week award to the best route welcoming cake via public vote on their website.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Savannah Airport Commission for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the sixteenth consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

The preparation of this report could not have been accomplished without the professional, efficient and dedicated services of the entire staff of the finance department and the marketing department as well as the independent auditors. We express appreciation to all Commission staff members who contributed to its preparation.

In conclusion, the Savannah Airport Commission is in excellent financial condition. The Commission has sufficient funds on hand to operate in accordance with the 2011 Bond covenants and resolution and, additionally, to self-fund the majority of its internal capital needs for the next five-year strategic plan. The Commission is charged by the Federal Aviation Administration to be self-sufficient, and we believe with the current rate structure and the current condition of the economy and airline industry that we will generate sufficient revenue sources to maintain the self-sufficient status of the Savannah/Hilton Head International Airport.

Respectfully submitted,



**Gregory B. Kelly
Executive Director**

**SAVANNAH
HILTON HEAD**
INTERNATIONAL 

AIRLINES

SERVING SAVANNAH



American Airlines

3 daily nonstop departures to
DALLAS/FORT WORTH
Daily Number of Seats: **150**

DELTA

9 daily nonstop departures to
ATLANTA
Daily Number of Seats: **1,195**

3 daily nonstop departures to
NEW YORK LGA
Daily Number of Seats: **195**

2 daily nonstop departures to
NEW YORK JFK
Daily Number of Seats: **141**

1 daily nonstop departure to
DETROIT
Daily Number of Seats: **65**

jetBlue

2 daily nonstop departures to
NEW YORK JFK
Daily Number of Seats: **300**

1 daily nonstop departure to
BOSTON
Daily Number of Seats: **100**

UNITED

2 daily nonstop departures to
NEWARK
Daily Number of Seats: **100**

1 daily nonstop departure to
HOUSTON
Daily Number of Seats: **50**

4 daily nonstop departures to
WASHINGTON IAD
Daily Number of Seats: **150**

3 daily nonstop departures to
CHICAGO O'HARE
Daily Number of Seats: **150**

U·S AIRWAYS

9 daily nonstop departures to
CHARLOTTE
Daily Number of Seats: **641**

1 daily nonstop departure to
PHILADELPHIA
Daily Number of Seats: **80**

4 Saturday and **2** Sunday departures to
PHILADELPHIA
Total Number of Seats: **410**

2 Saturday and **1** Sunday departure to
WASHINGTON REAGAN
Total Number of Seats: **150**

AIRLINES

SERVING SAVANNAH 2013



Principal Officials 2014

Appointed Officials

Commissioners

Sylvester C. Formey, Chairman
Stephen S. Green, Vice Chairman
Shirley B. James
Sheldon Tenenbaum
Lois Wooten

Other Officials

Executive Director

Gregory B. Kelly, AAE

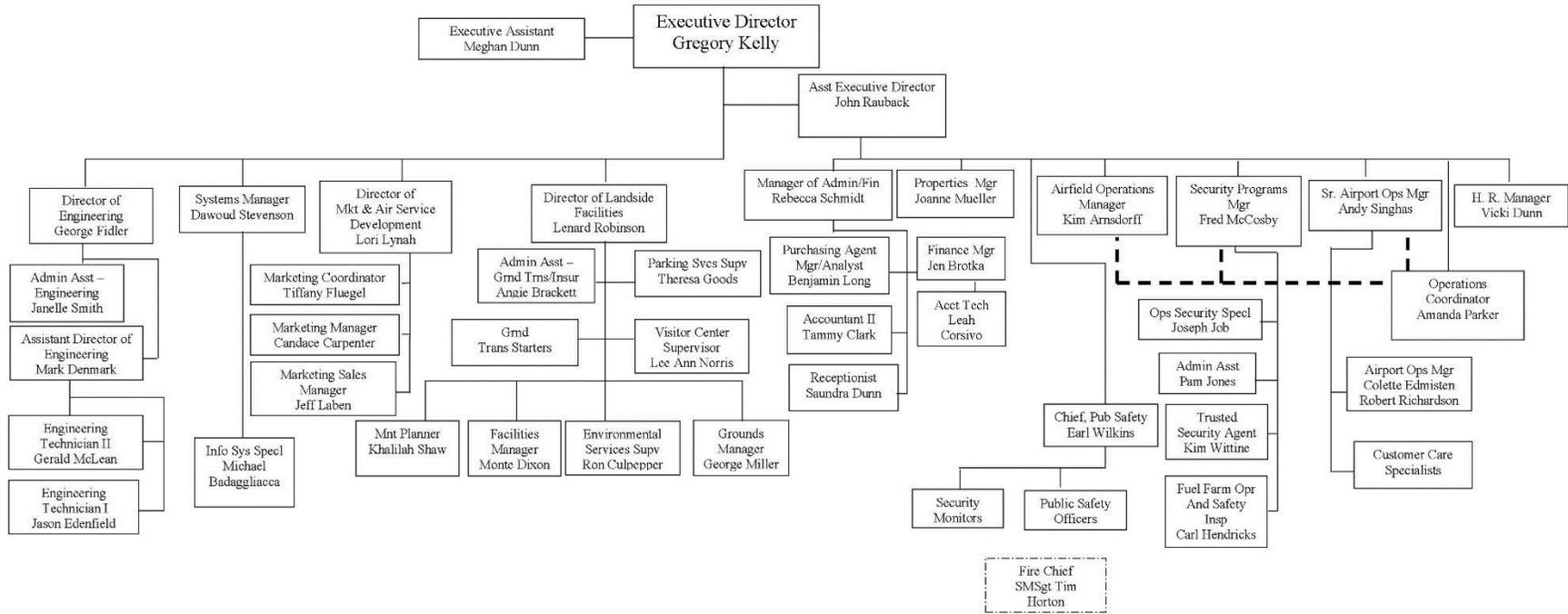
Assistant Executive Director

John F. Rauback, MBA, AAE

Commission Attorney

James B. Blackburn – Airport Attorney

SAVANNAH AIRPORT COMMISSION
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Savannah Airport Commission
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

- **Independent Auditor's Report**
- **Management's Discussion and Analysis of Financial Statements**
- **Basic Financial Statements**
- **Supplementary Information**





HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

Independent Auditor's Report

The Commissioners
Savannah Airport Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Savannah Airport Commission (the Commission), as of and for the year ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Savannah Airport Commission'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 opinions 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 of 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of December 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The management's discussion and analysis on pages C1 through C16 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Savannah Airport Commission's financial statements. The introductory section, supplementary information, statistical section, and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information, statistical section, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2015 on our consideration of Savannah Airport Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

Respectfully submitted,

Hannock Asken & Co., LLP

Savannah, Georgia
June 22, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) of the Savannah/Hilton Head International Airport provides an introduction to the major activities affecting the operations of the airport and an introduction and overview to the financial performance and financial statements of the Savannah Airport Commission (Commission) for the fiscal year ended December 31, 2014. The information contained in this MD&A prepared by management should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introduction Section and various historic summaries of activities and financial performance included in the Statistical and Compliance Sections of this report. Following this MD&A are the basic financial statements of the Commission together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

The Savannah Airport Commission is self-sufficient using aircraft landing fees, fees from terminal and other rentals as well as revenues from concessions and non-aviation revenues such as hotels, a golf course, service stations/convenience stores, and restaurant establishments to fund daily operating expenses. The capital program is funded by a current bond, issued in 1992 for the Northwest Quadrant Development, as well as federal and state grants, Passenger Facility Charges ("PFC"), Customer Facility Charges ("CFC"), and net remaining revenues after O&M and debt service.

AIRPORT ACTIVITIES & HIGHLIGHTS

The Savannah/Hilton Head International Airport entered 2014 with economic aviation conditions beginning to increase in several areas compared to 2013. Total airline activities during the past three years are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Enplanements - Scheduled and Non-Scheduled	963,385	823,494	814,496
% increase/decrease	17.0%	1.01%	-0.38%
Aircraft Operations (Landing and Departures) - All Types	85,090	84,958	90,326
% increase/decrease	0.16%	-5.94%	-8.58%
Landed Weight - Scheduled and Non-Scheduled	1,184,497	1,043,824	1,035,026
% increase/decrease	13.48%	0.85%	-2.61%
Mail/Express/Freight Cargo (Tons)	7,891	7,914.8	7,595.1
% increase/decrease	-0.30%	4.21%	-9.59%
Airline Available Seats	1,172,334	1,041,740	1,034,307
% increase/decrease	12.54%	0.72%	-4.61%

Two major factors affect airport revenues: operations, which generate landed weight fee revenues plus usage charges for apron; and enplanements, which generate concessions, parking and rental car revenues. While aircraft operations only slightly increased by 0.16% from 2013, there were several major factors that contributed to the increase in activities during 2014. Total enplanements were up 17% and airline available seats were up 12.54% while airline destinations in 2014 also increased to 41 daily departures versus 37 daily departures in 2013. Landing weights increased by 13.48%, however, total cargo decreased by 0.30% from 2013.

STATEMENT OF NET POSITION

The Statement of Net Assets presents the financial position of the Commission at the end of the fiscal year. The Statement includes all assets and liabilities of the Commission. Net assets is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Commission. A summarized comparison of the Commission's assets, liabilities and net assets at December 31, 2014, 2013 and 2012 follows:

	<u>2014</u>	<u>2013*</u>	<u>2012*</u>
Current assets			
Current assets	\$ 22,220,893	\$ 25,032,841	\$ 23,275,127
Current restricted assets	9,715,727	10,193,462	9,181,408
Non-current assets			
Capital assets, net	167,074,656	172,125,913	174,832,283
Other non-current assets	1,166,361	1,433,622	1,684,525
Long-term investments	22,667,000	9,445,000	7,747,000
Deferred outflows of resources	101,048	250,981	400,913
Total assets	<u>\$ 222,945,685</u>	<u>\$ 218,481,819</u>	<u>\$ 217,121,256</u>
Liabilities			
Current liabilities	\$ 2,876,706	\$ 2,766,380	\$ 5,198,254
Non-current liabilities			
Long-term debt outstanding	9,839,166	12,596,763	14,927,701
Total liabilities	<u>\$ 12,715,872</u>	<u>\$ 15,363,143</u>	<u>\$ 20,125,955</u>
Net assets			
Net investment in capital assets	\$ 161,352,944	\$ 163,915,951	\$ 164,079,072
Restricted	9,715,727	10,193,462	9,181,408
Unrestricted	39,161,142	29,009,263	23,734,821
Total net position	<u>\$ 210,229,813</u>	<u>\$ 203,118,676</u>	<u>\$ 196,995,301</u>

*2012 and 2013 have been restated to comply with GASB 65

The Commission's financial position remained strong through December 31, 2014 with total assets of \$222.9 million and total liabilities of \$12.7 million. Current assets decreased by \$3.3 million, however, total assets increased by \$4.5 million.

Total net position, which represents the residual interest in the Commission's assets after liabilities are deducted, is \$210.2 million at December 31, 2014, an increase of \$7.1 million over 2013. As reflected in the above chart, the net investment in capital assets decreased by \$2.6 million to \$161.4 million. The restricted and unrestricted remaining net assets are derived from the Commission's operations, customer facilities charges, general aviation funding, Savannah aviation facility charges, federal and state grants, and passenger facilities charge collections. The 2014 restricted assets of \$9.7 million are subject to external restrictions on how they may be used under the 2011 airport revenue bond resolution. The remaining unrestricted assets of \$39.2 million may be used to meet any of the Commission's ongoing operations, subject to approval by the Commission's Board.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	<u>2014</u>	<u>2013*</u>	<u>2012</u>
Operating revenues			
Airfield	\$ 3,257,492	\$ 3,104,566	\$ 2,979,410
Terminal One	11,965,612	11,449,988	11,022,200
Airport business center	212,094	228,817	251,498
Commercial aviation	2,216,288	2,103,115	1,540,736
Apron	54,381	55,048	55,080
Parking	6,018,305	5,260,004	5,090,084
Non-aviation	2,713,210	2,472,968	2,357,093
Foreign trade zone	0	0	46,637
Total operating revenues	<u>26,437,382</u>	<u>24,674,506</u>	<u>23,342,738</u>
Operating expenses			
Airfield	(1,905,637)	(1,631,526)	(1,560,643)
Terminal One	(9,094,306)	(8,499,325)	(8,525,450)
Airport business center	(140,603)	(274,554)	(234,919)
Commercial aviation	(261,441)	(237,942)	(175,258)
Apron	(24,547)	(27,066)	(27,931)
Parking	(1,369,561)	(1,452,052)	(1,382,186)
Non-aviation	(1,110,988)	(689,325)	(770,901)
Foreign trade zone	0	0	(112,931)
Administration	(5,751,582)	(4,827,543)	(4,614,001)
Total operating expenses	<u>(19,658,665)</u>	<u>(17,639,333)</u>	<u>(17,404,220)</u>
Excess before depreciation And other non-operating income and expenses	6,778,717	7,035,173	5,938,518
Depreciation	(9,969,695)	(10,306,897)	(9,812,599)
Loss before Other non-operating Income and expenses	(3,190,978)	(3,271,724)	(3,874,081)
Other non-operating income net	<u>4,369,258</u>	<u>3,815,079</u>	<u>3,656,701</u>
Income (loss) before Capital contributions	1,178,280	543,355	(217,380)
Capital contributions	5,932,857	5,580,020	10,478,528
Increase in net position	<u><u>\$ 7,111,137</u></u>	<u><u>\$ 6,123,375</u></u>	<u><u>\$ 10,261,148</u></u>

*2013 has been restated to comply with GASB 65

SUMMARY OF OPERATIONS HIGHLIGHTS

Total passenger traffic (enplaned + deplaned) increased dramatically in 2014. In 2014, a total of 1.92 million passengers passed through the Airport, versus 1.64 million passengers in 2013 and 1.61 million passengers in 2012. Financially, the year was very favorable as well. The Airport was able to end the year 2014 with an increase in net position of \$7.1 million, versus an increase of \$6.1 million in 2013. Capital Contributions decreased from \$10.5 million in 2012 to \$5.6 million in 2013, but increased in 2014 to \$5.9 million.

Significant items affecting the Summary of Revenue, Expenses and Changes in Net Assets for 2014 follows:

- Following an increase from 2012 to 2013 of \$1.3 million, operating revenues increased 7.1%, or \$1.8 million, from \$24.7 million in 2013 to \$26.4 million in 2014 primarily due to the following:
 - In the Airfield cost center, revenues increased by \$152,926 or 4.9% over 2013, which is only slightly higher than the growth from 2012 to 2013 of \$125,156 or 4.2%. This revenue growth is mainly attributable to the landing fee rate increase. Landing fees increased from \$2.50 per 1,000 pounds to \$2.60 per 1,000 pounds, which equates to a 4% increase.
 - The Terminal cost center experienced an increase in revenues of \$515,624 or 4.5% over 2013. This revenue growth is slightly higher than the growth from 2012 to 2013 of \$427,788 or 3.9%. About 2% of this growth is a result of the airline SF rates increasing from \$51.50 per SF to \$52.50 per SF. The remaining growth is most likely due to the rise in enplanements which boosts up the revenues for the concessions and ground transportation.
 - In the Parking cost center, revenues increased by \$758,301 or 14.4% over 2013, which is a higher increase than we saw in 2013 which had an increase of \$169,920 or 3.3% over 2012. We believe that the dramatic increase in parking revenues is directly correlated to the increase in enplanements.
 - In the Non-Aviation cost center, revenues increased by \$240,242 or 9.7% over 2013. This increase is much higher than the growth we saw from 2012 to 2013 of \$115,875 or 4.9%. This was due to hotel & restaurant revenues increasing, stimulated by the increase in enplanements and the rapid economic growth occurring within minutes of the airport and the hotels and restaurants located on airport property.

- Slightly higher than the 1.35% increase of \$0.2 million from 2012 to 2013, operating expenses increased by 11.4%, or \$2.0 million, from \$17.6 million in 2013 to \$19.7 million in 2014 due primarily to the following:
 - In the Administration cost center, expenses increased by \$924,039 or 19.1% from 2013 which is considerably higher than the increase experienced from 2012 to 2013 of 4.6% or \$213,542. A large factor contributing to this increase is the air service and marketing program. The Savannah Hilton/Head International Airport is investing in efforts to attract new airlines and also entice current airlines to add new routes to the airport, along with reaching out to passengers in hopes of making them loyal customers of the Savannah Airport. In addition to these costs, the Savannah Airport Commission has also taken a hit from the rising cost of medical insurance and other employee benefits.
 - In the Parking cost center, expenses decreased by \$82,491 or 5.7% due to facilities projects expenses compared to 2013.
 - In the Non-Aviation cost center, expenses increased by \$421,663 or 61.2% due to the rising costs of labor and also the need for additional positions and salary adjustments to keep the employees paid at the market rate.
 - In the Airfield cost center, expenses increased by \$274,111 or 16.8% due to rising labor and rising security costs resulting from increased activity.
 - In the Terminal cost center, expenses increased by \$594,981 or 7.0% due to facilities project expenses in 2014 and also the rise in labor costs and security costs due to the increase in enplanements.
 - In the Airport Business Center cost center, expenses decreased by \$133,951 or 48.8% due to a decrease in facilities project expenses and also a decrease in minor maintenance and repairs expenses as we prepare to demolish the Airport Business Center in the summer of 2015.
- The net result of the above was an operating gain before depreciation decreased by \$0.3 million for 2014 as compared to 2013 which is not as favorable as 2013 vs 2012 in which the Savannah Airport Commission saw an operating gain before depreciation increase of \$1.1 million.
- Non-operating income increased 14.5% or \$0.6 million from a net income of \$3.8 million in 2013 to \$4.4 million in 2014 and therefore experienced a substantial increase. A large factor resulting in the increase in non-operating income was the increase in enplanements, which led to an increase in PFC revenue.
- In 2014, the Airport's capital contributions received were in the form of grants from the federal and state governments totaling \$5.9 million. This was an increase of \$0.4 million from the capital contributions received in 2013. However, 2013 experienced a decrease in capital contributions of \$4.9 million compared to 2012, resulting from capital expenditures paid with eligible federal and/or state funding, mainly due to a large grant of both entitlements and discretionary funds received for the North Aviation Development project in 2012.

COST PER ENPLANEMENT

The Savannah Airport Commission measures its performance in several areas to determine the effectiveness of programs. The most commonly used measurement is cost per enplanement. Increasing costs alert management to potential problems while decreasing costs often reflect the results of marketing activity, cost containment and economic growth. In 2010, with the airlines' new agreement to fixed rates, the cost per enplanements did not change by much as long as enplanements did not drastically decrease and/or increase. The method the Commission uses to calculate cost per enplanement, as well as a comparison for the last three years follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Airline Landing Fees	\$2,768,721	\$2,607,140	\$2,463,847
Airline Terminal Rentals	5,357,609	5,745,304	5,647,900
Airline Apron Fees	<u>54,381</u>	<u>55,048</u>	<u>55,080</u>
Total Airline Revenues	8,180,711	8,407,492	8,166,827
Total Enplanements	963,385	823,494	814,496
Cost per Enplanement (rev. ÷ enp.)	\$8.49	\$10.21	\$10.03
% Increase/Decrease	-16.8%	1.8%	1.5%

The following table compares the Commission cost per enplanement with a few other airports of similar size.

Cost Per Enplanement

	<u>Savannah Hilton Head International</u>	<u>Columbia Metropolitan</u>	<u>Des Moines International</u>	<u>Charleston International *</u>
2014	\$8.49	\$9.24	\$9.02	\$4.28
2013	\$10.21	\$9.17	\$8.30	\$4.48
2012	\$10.03	\$11.94	\$8.49	\$4.62

* Terminal cost only, Airfield operated by the U.S. Air Force.

AIRLINE SIGNATORY RATES AND CHARGES

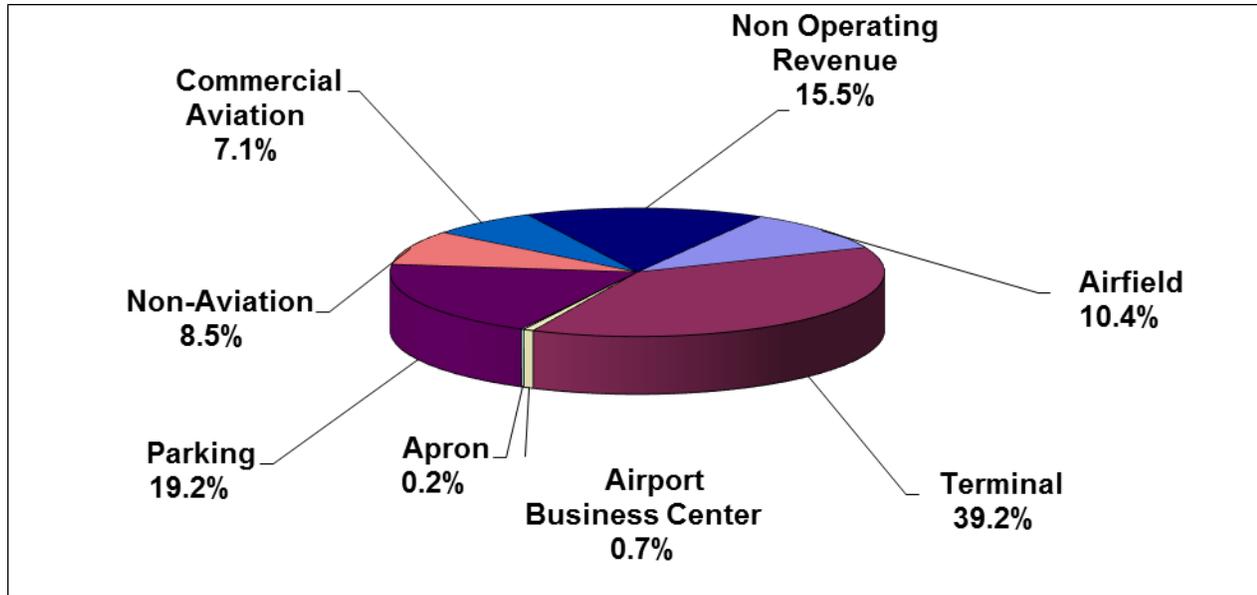
Effective January 1, 2010, a five-year Airline Use and Lease Agreement (covering years 2010-2014) was adopted with a few major changes in the rates and charges. In past years, the Airport-Airline Operating Agreements executed between the airlines and the Commission included a majority-in-interest (MII) provision, allowing airlines to approve or disapprove certain capital projects. Airline rates and charges were calculated with a residual rate-making methodology for the airfield and a hybrid residual methodology for the terminal and apron. In 2010, the Airport executed new Airline Operating Agreements which replaced “Signatory” airlines with “Primary” airlines. The new agreements eradicated the MII provision and instead structured new, five-year agreements with the Primary airlines based on a fixed monthly rate and pre-established annual adjustments. In addition, new financial controls were added to the agreements requiring that the Primary airlines be responsible for any and all charges incurred by their respective affiliate airlines.

In addition, with the enplanements of fiscal year 2009 as the base, if the total annual enplanements at any time during contract term increase or decrease by twenty-five (25%) percent or more, either the airlines or the Airport may request a renegotiation of the rates. A comparison of actual rates and charges for primary and affiliated airlines follows:

	<u>2014</u>		<u>2013</u>		<u>2012</u>	
	\$2.60	Jan-Dec	\$2.50	Jan-Dec	\$2.40	Jan-Dec
Landing Fees (Per 1,000 lbs. Maximum Gross Landing Weight)						
Terminal Rental Rates (Per square foot)	\$52.50	Jan-Dec	\$51.50	Jan-Dec	\$50.50	Jan-Dec
Apron Rental Fee	\$6,500	Jan-Dec	\$6,500	Jan-Dec	\$6,500	Jan-Dec
Fuel Flow Fee	0.025		\$0.025		\$0.025	

REVENUES

The following chart shows the major cost centers and the percentage of total revenues for the year ended December 31, 2014:

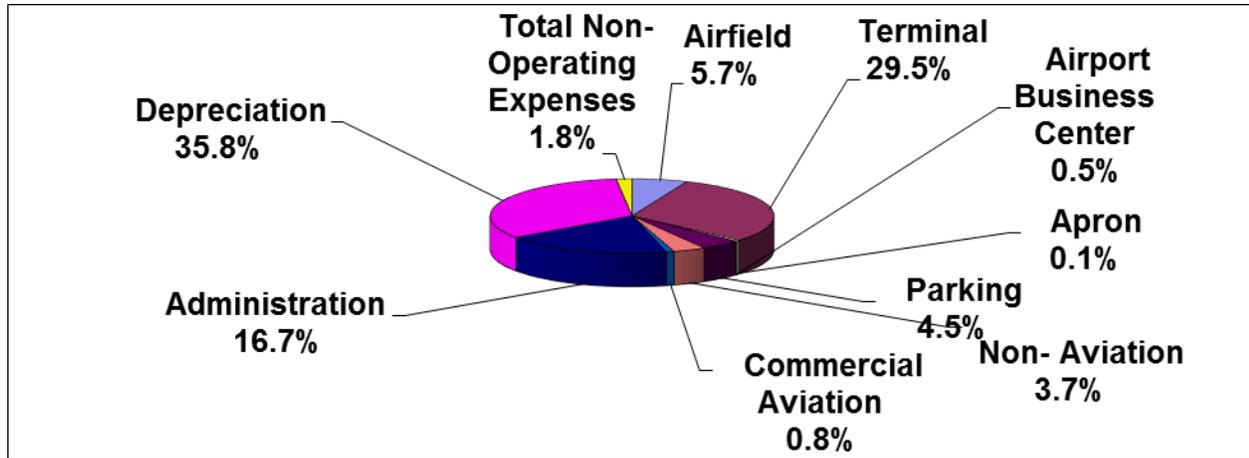


A summary of revenues for the year ended December 31, 2014, and the amounts and percentage of total in relation to prior year's amounts follow:

	<u>2014</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>
Operating Revenues:						
Airfield	\$ 3,257,492	10.4%	\$ 3,104,566	10.6%	\$ 2,979,410	10.7%
Terminal	\$11,965,612	38.2%	\$11,449,988	39.2%	\$ 11,022,200	39.5%
Airport Business Center	\$ 212,094	0.7%	\$ 228,817	0.8%	\$ 251,498	0.9%
Apron	\$ 54,381	0.2%	\$ 55,048	0.2%	\$ 55,080	0.2%
Parking	\$ 6,018,305	19.2%	\$ 5,260,004	18.0%	\$ 5,090,084	18.3%
Non-Aviation	\$ 2,713,210	8.7%	\$ 2,472,968	8.5%	\$ 2,357,093	8.5%
Commercial Aviation	\$ 2,216,288	7.1%	\$ 2,103,115	7.2%	\$ 1,540,736	5.5%
Foreign Trade Zone	\$ -	0.0%	\$ -	0.0%	\$ 46,637	0.2%
Total Operating Revenues	\$26,437,382	84.3%	\$24,674,506	84.5%	\$ 23,342,738	83.8%
Non-Operating Revenue:						
Passenger Facility Charges	\$ 3,640,888	11.6%	\$ 3,073,621	10.5%	\$ 3,115,125	11.2%
Customer Facility Charges	\$ 611,273	1.9%	\$ 548,616	1.9%	\$ 530,901	1.9%
General Aviation Fund Charges	\$ 79,130	0.3%	\$ 77,196	0.3%	\$ 69,395	0.2%
Savannah Aviation Village Charges	\$ -	0.0%	\$ 10,500	0.0%	\$ 22,000	0.0%
Interest Revenue	\$ 319,351	1.0%	\$ 487,125	1.7%	\$ 553,716	2.0%
Bond Premium Amortization	\$ 248,182	0.8%	\$ 248,182	0.8%	\$ 248,182	0.9%
Gain on Disposal of Assets	\$ 11,297	0.0%	\$ 84,596	0.3%	\$ -	0.0%
Increase in the Fair Value Invest	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Recovery of Bad Debt	\$ -	0.0%	\$ -	0.0%	\$ 1,294	0.0%
Total Non-Operating Revenues	\$ 4,910,121	15.7%	\$ 4,529,836	15.5%	\$ 4,540,613	16.2%
TOTAL REVENUES:	\$31,347,503	100.0%	\$29,204,342	100.0%	\$ 27,883,351	100.0%

EXPENSES

The following chart shows the major cost centers and the percentage of total expenses for the year ended December 31, 2014:



A summary of expenses for the year ended December 31, 2014, and the amounts and percentage of total in relation to prior year's amounts follow:

	<u>2014</u>	<u>%</u>	<u>2013*</u>	<u>%</u>	<u>2012</u>	<u>%</u>
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>
Operating Expenses:						
Airfield	\$ 1,905,637	6.3%	\$ 1,631,526	5.7%	\$ 1,560,643	5.6%
Terminal	\$ 9,094,306	30.1%	\$ 8,499,325	29.8%	\$ 8,525,450	30.4%
Airport Business Center	\$ 140,603	0.5%	\$ 274,554	1.0%	\$ 234,919	0.8%
Apron	\$ 24,547	0.1%	\$ 27,066	0.1%	\$ 27,931	0.1%
Parking	\$ 1,369,561	4.5%	\$ 1,452,052	5.1%	\$ 1,382,186	4.9%
Non-Aviation	\$ 1,110,988	3.7%	\$ 689,325	2.4%	\$ 770,901	2.7%
Commercial Aviation	\$ 261,441	0.9%	\$ 237,942	0.8%	\$ 175,258	0.6%
Foreign Trade Zone	\$ -	0.0%	\$ -	0.0%	\$ 112,931	0.4%
Administration	\$ 5,751,582	19.1%	\$ 4,827,543	16.9%	\$ 4,614,001	16.4%
Total Operating Expenses	\$ 19,658,665	65.2%	\$ 17,639,334	61.5%	\$ 17,404,220	61.9%
Depreciation:						
Depreciation	\$ 9,969,695	33.0%	\$ 10,306,897	36.0%	\$ 9,812,599	34.9%
Non-Operating Expenses:						
Interest Expense	\$ 345,038	1.1%	\$ 442,838	1.5%	\$ 536,837	1.9%
Amortization of Bond Issue cost	\$ -	0.0%	\$ -	0.0%	\$ 163,225	0.6%
Loss on Bond Refunding	\$ 149,932	0.5%	\$ 149,932	0.5%	\$ 149,932	0.5%
Dec. in the Fair Value Investments	\$ 45,893	0.2%	\$ 121,987	0.4%	\$ 23,667	0.1%
Loss on Disposal of Capital Assets	\$ -	0.0%	\$ -	0.0%	\$ 10,251	0.0%
Total Non-Operating Expenses	\$ 540,863	1.8%	\$ 714,757	2.5%	\$ 883,912	3.1%
TOTAL EXPENSES:	\$ 30,169,223	100.0%	\$ 28,660,988	100.0%	\$ 28,100,731	100.0%

*2013 has been restated to comply with GASB 65

SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash equivalents are considered cash-on-hand, bank deposits and highly liquid investments with a maturity of twelve months or less.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash flows from:			
Operating Activities	\$6,550,380	\$5,129,287	\$8,318,350
Investing Activities	(27,251,617)	1,230,869	6,155,458
Capital & Related Financing Activities	<u>2,505,622</u>	<u>(1,066,740)</u>	<u>(9,614,410)</u>
Net increase (decrease) in Cash and Cash Equivalents	(18,195,615)	5,293,416	4,859,398
Cash and Cash Equivalents:			
Beginning of Year	<u>26,899,134</u>	<u>21,605,718</u>	<u>16,746,320</u>
End of Year	<u><u>\$8,703,519</u></u>	<u><u>\$26,899,134</u></u>	<u><u>\$21,605,718</u></u>

The Savannah Airport Commission's available cash and cash equivalents decreased from \$26.9 million at the end of 2013 to \$6.2 million, a \$20.7 million decrease at the end of 2014. Overall, decreases were due to more funds being invested in CDs with maturities greater than 12 months.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Funds from various sources (AIP, PFC, CFC, State and Airport revenues) totaling \$3.9 million were expended during 2014 on capital activities which have not been closed out of construction-in-progress as follows:

Airport Master Plan	\$0.06	million
NAVAIDS - Mid RVR	(\$0.06)	million
IT Upgrade	\$0.67	million
Perimeter Road RW 1 / 2 AOA Gates	\$1.18	million
Rental Car Facility Upgrades	\$1.15	million
RSA Improvements	\$0.01	million
Repair Arresting Barriers 10-28	\$0.08	million
GA Development Utilities	\$0.02	million
Taxiway C Light Replacement	\$0.02	million
I-95 Interchange Improvements	\$0.50	million
RW 28 RSA Improvements	\$0.17	million
In-Line Baggage System	\$0.04	million
SAPS Prepwork	\$0.04	million
Total	\$3.88	million

During 2014, funds were expended in the amount of \$0.16 million on projects that were closed from construction-in-progress to their respective capital accounts throughout the year while another \$1.2 million in maintenance and administration equipment was capitalized.

Remove & Repaint Taxiway Centerlines	\$0.08	million
Overlay Patrick S. Graham Drive	\$0.07	million
Miscellaneous Projects	\$0.01	million
Total	\$0.16	million

Capital asset acquisitions, those exceeding \$1,000, are capitalized at cost. Acquisitions are funded using a variety of financing techniques including federal grants, State grants, CFC, debt issuances and Airport revenues. Additional information on the Commission’s capital assets and commitments can be found in Note 8, Construction Contract Commitments, in the notes to the financial statements.

DEBT ACTIVITY

On October 20, 1992, the Commission issued a total of \$38,910,000 for Airport Revenue Bonds, Series 1992 A (\$7,140,000), and for Airport Revenue Bonds, Series 1992 B (\$31,770,000), (collectively the “Series 1992 Bonds”). This bond issue was authorized to help fund the \$68.5 million relocation and construction of a new 299,195 sq. ft. Terminal One and associated infrastructure such as new roads, new aircraft taxiway, parking apron, storm water ponds and a new interchange at I-95 for entry into the Airport (Exit 104). Prior to the issuing of the Series 1992 Bonds, the Commission deceased the balance of the Series 1972 Bonds.

On October 4, 2001, the Commission issued \$32,255,000 in revenue bonds, Series 2001 A and 2001 B to advance refund \$32,125,000 of outstanding Series 1992 A & 1992 B Bonds. This advance refunding was done to take advantage of a reduction in the All-In (TIC) rate from 6.19% to 4.98% or a \$2.4 million reduction in interest expense over the life of the Series 2001 Bonds.

On June 29, 2011, the Commission issued \$15,010,000 in revenue bonds, Series 2011 A and Series 2011 B (AMT) to advance refund the \$15,630,000 of outstanding Series 2001 A and 2001 B bonds, a reduction of \$.6 million. In addition, this was a prime opportunity to take advantage of a reduction in the All-In (TIC) rate of 4.98% to 2.83% or a \$.5 million reduction in interest expense over the remaining life of the bonds. By refinancing the Series 2001 A and 2001 B bonds, the Airport was able to reduce total expenses by \$1.1 million. In 2014, the 2011 B (AMT) bonds were paid off.

Outstanding debt at December 31, 2014, December 31, 2013, and December 31, 2012 consists of one revenue bond issue as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue Bonds:			
Series 2011 A	\$5,550,000	\$6,665,000	\$6,665,000
Series 2011 B	0	1,275,000	3,720,000
Total	<u>\$5,550,000</u>	<u>\$7,940,000</u>	<u>\$10,385,000</u>

Computation for debt coverage ratio follows:

	<u>2014</u>	<u>2013*</u>	<u>2012</u>
Total Revenues	\$37,280,360	\$34,784,362	\$38,361,879
Less: PFC	(3,640,888)	(3,073,621)	(3,115,125)
Less: Capital Contribution	(5,932,857)	(5,580,020)	(10,478,528)
Total Gross Revenues	<u>27,706,615</u>	<u>26,130,721</u>	<u>24,768,226</u>
Less:			
Total Expenses	30,169,224	28,660,988	28,100,731
Less: Depreciation	(9,969,695)	(10,306,897)	(9,812,599)
Less: Interest Expense	(345,038)	(442,838)	(536,837)
Total Net Expenses	<u>19,854,491</u>	<u>17,911,253</u>	<u>17,751,295</u>
Total Net Revenues Available For Debt Service	<u>\$7,852,124</u>	<u>\$8,219,468</u>	<u>\$7,016,931</u>
Total Revenue Bond Debt Service (Principal & Interest)	\$2,735,038	\$2,887,838	\$2,886,838
Bond Debt Service Coverage (Net Revenues ÷ Debt Service)	2.87	2.85	2.43

*2013 has been restated to comply with GASB 65

The 2014 Savannah/Hilton Head International Airport credit ratings by each of the three major rating agencies remained the same: Moody's Investors Services "A1", Fitch Ratings "AA" and Standard and Poor's Rating Group "AA."

The City of Savannah, Georgia, Airport Revenue Refunding Bonds, Series 2011 Bonds, are payable from and secured by a lien on Net Revenue derived by the operation of the Savannah / Hilton Head International Airport. The Series 2011 Bonds are limited obligations of the City and do not constitute and are not an obligation or indebtedness of the City, Chatham County, the State

of Georgia or any political subdivision thereof within the meaning of any constitutional or statutory limitation or provision or a pledge of faith and credit of the City, and the City is not obligated to levy taxes of any nature for the payment thereof. The properties forming a part of the Airport and certain monies as described in the resolution have not been pledged as security for the Series 2011 Bonds and no mortgage or security interest has been granted or lien created thereon for the benefit of the holders of the Series 2011 Bonds.

In connection with the refunding of each Series 2001 Bonds, the segment on bond insurance policy secured from Financial Security Assurance, Inc. that was purchased by the Commission to guarantee the payment of principal and interest was deleted. With respect to the Series 2011 Bonds, the Airport had to create and establish a Debt Service Reserve Account 2011 to deposit \$1,501,000, 10% of total principle (\$15,010,000) into a reserve account on the date of issuance of 2011 bonds.

Under the Commission's master bond resolution adopted on October 20, 1992 and advance refunded on October 4, 2001 and June 29, 2011, it is required to maintain an operating reserve equal to three months' operating expenses and a repair and replacement reserve of \$2,000,000. The Commission has never had to use funds from either of these two reserves. Further details on debt can be found in Note 9 of the financial statements.

FINANCIAL STATEMENTS SUMMARY

The Commission's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles (GAAP). The Commission 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 (except land) and are depreciated over their useful lives. Amounts are restricted for debt service, operations and maintenance reserves and, where applicable, for construction activities. See Note 1 to the financial statements for a summary of the Commission's significant accounting policies.

FUTURE IMPACTS

Throughout 2014, the Savannah/Hilton Head International Airport experienced a significant increase in passenger traffic and outperformed most other small airports in enplanement growth from 2013 to 2014. Our budgeted 2015 passenger traffic also shows an additional increase in enplanements of 7% compared to 2014.

Our first quarter 2015 passenger traffic results have increased by 6.36% compared to the first quarter of 2014. This is most likely a result of JetBlue Airways beginning new service at the Savannah/Hilton Head International Airport in February of 2014. Based on our first quarter 2015 load factor of 77.19%, this will hopefully equate to a large increase in enplanements over 2014 with the added air service from Allegiant and other additional air carriers.

Although economic indicators are continuing to create challenges for the Airport, business and leisure travelers and other tenants at the Airport, the Savannah/Hilton Head International Airport is staying focused on the goal of being “First In Service” with anyone who comes in contact with the Airport and will continue this objective as a driving factor in the growth of our region.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report is designed to provide detailed information on the Commission’s operations to all those with an interest in the Commission’s financial affairs. The Commission’s website, www.savannahairport.com is also a valuable source for financial, statistical and other related data. In addition, our link to view the 2014 CAFR is <http://www.savannahairport.com/quicklinks/news/>. Questions concerning any of the information provided in this report or any request for additional information should be addressed to the Executive Director by email: gkelly@savannahairport.com or in writing to Savannah Airport Commission, 400 Airways Avenue, Savannah, Georgia 31408.

Respectfully submitted,



Gregory B. Kelly
Executive Director

**SAVANNAH
HILTON HEAD**
INTERNATIONAL 

Savannah Airport Commission

Statements of Net Position

<i>December 31,</i>	2014	2013 Restated
ASSETS		
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 6,404,226	\$ 6,539,749
Short-term investments	13,171,470	16,193,358
Accounts receivable	1,823,869	1,634,957
Inventories	259,102	225,276
Prepaid expenses and other	290,965	184,598
Leases receivable - current portion	267,261	250,903
Deposits	4,000	4,000
Total current unrestricted assets	22,220,893	25,032,841
Restricted assets		
Revenue bond renewal and replacement fund	2,000,000	2,000,000
Cash and cash equivalents	7,391,289	7,821,887
Accounts receivable	324,438	371,575
Total current restricted assets	9,715,727	10,193,462
Total current assets	31,936,620	35,226,303
Non-current assets		
Capital assets		
Land	10,669,398	10,669,398
Construction in progress	6,681,003	28,732,281
Buildings and improvements	160,548,683	159,907,954
Runways, taxiways and lights	103,162,604	80,093,331
Equipment	17,283,412	16,138,270
Access roads	20,831,917	18,745,431
	319,177,017	314,286,665
Less accumulated depreciation	152,102,361	142,160,752
Total capital assets	167,074,656	172,125,913
Leases receivable, net of current portion	1,166,361	1,433,622
Investments	22,667,000	9,445,000
Total non-current assets	190,908,017	183,004,535
Deferred outflows of resources		
Deferred amounts from refunding of debt	101,048	250,981
Total deferred outflows of resources	101,048	250,981
Total assets and deferred outflows of resources	\$ 222,945,685	\$ 218,481,819

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

Savannah Airport Commission

Statements of Net Position (cont.)

<i>December 31,</i>	2014	2013 Restated
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 962,513	\$ 1,408,603
Security deposits	68,143	63,929
Salaries and wages payable	217,835	160,319
Contracts payable - retainage	177,946	78,987
Deferred revenue	244,235	59,741
Accrued vacation liability	1,206,034	994,801
Total current liabilities	2,876,706	2,766,380
Non-current liabilities		
Employee benefit obligations	4,016,406	4,135,820
Revenue Bonds, includes an unamortized premium of \$272,760 and \$520,943 as of December 31, 2014 and 2013, respectively	5,822,760	8,460,943
Total non-current liabilities	9,839,166	12,596,763
Total liabilities	12,715,872	15,363,143
NET POSITION		
Net investment in capital assets	161,352,944	163,915,951
Restricted		
Renewal and replacement fund	2,000,000	2,000,000
Operation and maintenance fund	4,938,306	4,322,659
Bond debt service reserve	1,501,000	1,501,000
Passenger facility charges	884,646	1,497,875
Customer facility charges	186,320	721,045
General aviation fund charges	193,120	139,017
Savannah aviation village fund charges	10,147	10,312
Other restricted assets	2,188	1,554
Total restricted	9,715,727	10,193,462
Unrestricted	39,161,142	29,009,263
Total net position	210,229,813	203,118,676
Total liabilities and net position	\$ 222,945,685	\$ 218,481,819

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

Savannah Airport Commission

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years ended December 31,</i>	2014	2013 Restated
Operating revenues		
Airfield	\$ 3,257,492	\$ 3,104,566
Terminal one	11,965,612	11,449,988
Airport business center	212,094	228,817
Commercial aviation	2,216,288	2,103,115
Apron	54,381	55,048
Parking	6,018,305	5,260,004
Non-aviation	2,713,210	2,472,968
Total operating revenues	26,437,382	24,674,506
Operating expenses		
Airfield	1,905,637	1,631,526
Terminal one	9,094,306	8,499,325
Airport business center	140,603	274,554
Commercial aviation	261,441	237,942
Apron	24,547	27,066
Parking	1,369,561	1,452,052
Non-aviation	1,110,988	689,325
Administrative expenses	5,751,582	4,827,543
Depreciation	9,969,695	10,306,897
Total operating expenses	29,628,360	27,946,230
Operating loss	(3,190,978)	(3,271,724)
Non-operating revenues (expenses)		
Passenger facility charges	3,640,888	3,073,621
Customer facility charges	611,273	548,616
General aviation fund charges	79,130	77,196
Savannah aviation village charges	-	10,500
Interest revenue	319,351	487,125
Interest expense	(345,038)	(442,838)
Bond premium amortization	248,182	248,182
Loss on bond refunding	(149,932)	(149,932)
Net (decrease) in the fair value of investments	(45,893)	(121,987)
Gain on disposal of capital assets	11,297	84,596
Total non-operating revenues	4,369,258	3,815,079
Income before capital contributions	1,178,280	543,355
Capital contributions	5,932,857	5,580,020
Increase in net position	7,111,137	6,123,375
Total net position, beginning of year, as restated	203,118,676	196,995,301
Total net position, end of year	\$ 210,229,813	\$ 203,118,676

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

Savannah Airport Commission

Statements of Cash Flows

<i>Years ended December 31,</i>	2014	2013 Restated
Cash flows from operating activities		
Cash received from providing services	\$ 26,426,472	\$ 24,936,828
Cash paid to suppliers	(7,974,924)	(9,036,307)
Cash paid to employees	(11,901,168)	(10,771,234)
Net cash provided by operating activities	6,550,380	5,129,287
Cash flows from capital and related financing		
Acquisition and construction of capital assets	(5,034,785)	(7,553,451)
Principal paid on revenue bonds	(2,390,000)	(2,445,000)
Interest paid on revenue bonds	(345,038)	(442,838)
Receipts from capital grants	5,932,857	5,580,020
Proceeds from sale of capital assets	11,297	84,596
Receipts and interest from		
Passenger facility charges	3,640,888	3,073,621
Customer facility and other charges	690,403	636,312
Net cash provided by (used in) capital and financing activities	2,505,622	(1,066,740)
Cash flows from investing activities		
Interest received	372,980	497,698
Sale of investments	5,322,500	8,618,500
Purchase of investments	(33,198,000)	(8,118,000)
Change in lease receivables	250,903	232,671
Net cash (used in) provided by investing activities	(27,251,617)	1,230,869
Net (decrease) increase in cash and cash equivalents	(18,195,615)	5,293,416
Net cash and cash equivalents, beginning	26,899,134	21,605,718
Cash and cash equivalents, ending	\$ 8,703,519	\$ 26,899,134

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

Savannah Airport Commission

Statements of Cash Flows (cont.)

<i>Years ended December 31,</i>	2014	2013 Restated
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (3,190,979)	\$ (3,271,724)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	9,969,695	10,306,897
Provision for OPEB obligation	(119,414)	362,243
Changes in operating assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	(195,403)	268,117
Inventories	(33,826)	(35,142)
Prepaid expenses	13,346	(18,157)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(391,939)	(754,115)
Security deposits	4,214	2,501
Contracts payable - retainage	98,959	(1,961,961)
Deferred revenue	184,494	(5,795)
Accrued vacation liability	211,233	236,423
Net cash provided by operating activities	\$ 6,550,380	\$ 5,129,287

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

Savannah Airport Commission

Statements of Cash Flows (cont.)

<i>Years ended December 31,</i>	2014	2013 Restated
Reconciliation of cash and cash equivalents to the statements of net position		
Cash	\$ 6,404,226	\$ 6,539,749
Cash equivalents included in investments	(7,091,996)	10,537,498
Total restricted assets, less receivables	9,391,289	9,821,887
Cash and cash equivalents, ending	\$ 8,703,519	\$ 26,899,134
Schedule of non-cash investing and capital and related financing activities		
Bond premium amortization	\$ 248,182	\$ 248,182
Loss on bond refunding	\$ (149,932)	\$ (149,932)
Change in fair value of investments	\$ (45,894)	\$ (121,986)

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

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Business

The Savannah Airport Commission (the Commission) provides an airline terminal, runways, and other aeronautical facilities in Savannah, Georgia, for passenger and freight airlines and private aircraft.

Financial Reporting Entity

The Commission is a municipal corporation established by the Savannah City Code and governed by five members who are appointed by the Mayor and Aldermen of the City of Savannah. The Commission is a public corporation created by an act of the general assembly of the state of Georgia as a public agency of the City of Savannah and has no other participation in the operation of the Commission. Therefore, the Commission is not considered a component unit of the City of Savannah, but a related organization.

Criteria for determining if other entities are potential component units which should be reported within the Commission's financial statements are identified and described in the GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provide for identification of any entities for which the Commission is financially accountable and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Commission.

The Commission receives funding from state and federal government sources and must comply with the accompanying requirements of these funding source entities.

The Commission applies all applicable Governmental Accounting Standards Board Statements (GASB) pronouncements. The Commission has implemented accounting standards as set forth through GASB statement number 68.

Restatement of Beginning Net Position

For fiscal year 2014, the Commission made a prior period adjustment due to the adoption of GASB Statement No. 65. Under GASB 65, bond issuance costs, exclusive of prepaid insurance, were reclassified to non-operating expense. The fiscal year 2013 financial statements have been restated to reflect retroactive applications of this change in accounting principle.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Restatement of Beginning Net Position (cont.)

The effect of the change was to reduce beginning net position by the following amounts as of December 31:

	2013
Net position, beginning of year as originally reported	203,396,126
Effect of change in accounting principal	(277,450)
Net position, beginning of year as restated	203,118,676

Basis of Presentation - Fund Accounting

The operations of the Commission are accounted for as using separate funds as required, which are combined for financial reporting purposes into a single enterprise fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Commission has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Basis of Accounting and Measurement Focus

The economic measurement focus and the accrual basis of accounting are used by the Commission. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when the liability has been incurred. Under this basis of accounting, all assets and all liabilities associated with the operation of the Commission are included in the statements of net position.

Budgets and Budgetary Accounting

The Executive Director submits an annual budget to the Commission. The budget is prepared on a detailed line item basis, by department. Revenues are budgeted in the year receipt is expected and expenses are budgeted in the year that the applicable purchase orders are expected to be issued and materials are expected to be received. All budget appropriations lapse at year-end.

The 2014 budget was approved by the Commission members on December 4, 2013. Once approved, the Commission may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses. Encumbrance accounting is not used in proprietary fund types used by the Commission. Budgetary data is not included in the basic financial statements.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Estimates Used in Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Cash and Cash Equivalents

Cash deposits consist of demand deposit accounts held by banks. For purposes of the statements of cash flows, the Commission considers demand deposit accounts, as well as all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Investments (cont.)

1. Prime bankers' acceptances,
2. The local government investment pool established by Georgia Code Section 36-83-8,
3. Repurchase agreements, and
4. Obligations of other political subdivisions of the state of Georgia.

Restricted Assets

Restricted assets consist of cash and cash equivalents, investments and other resources which are restricted by bond indenture, legally or by enabling legislation, or by other authoritative or legal documents as is the case with the collection of funds from Customer Facility Charges, General Aviation Fund Charges and the Savannah Aviation Village Fund Charges. The Commission's policy when appropriately permitted under grant and funding agreements, is to use restricted assets first, then unrestricted assets when both are available for use. Certain restricted funds such as the bond renewal and replacement fund and the operating and maintenance reserve fund are not permitted to be used until after all unrestricted funds are used.

Inventories

Inventories consist of expendable materials and supplies held for consumption in the course of the Commission's operations. Inventories are stated at cost on a first-in, first-out basis (FIFO).

Capital Assets

Capital assets are stated at cost, or, as in the case of assets donated by federal and local governments, the estimated fair market value at the time of the donation. Tangible assets having a useful life in excess of one year and costs exceeding \$1,000 are capitalized. Expenditures for maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged directly to operations when incurred, while betterments and major renovations are capitalized. The cost of assets retired or otherwise disposed of and the related allowance for depreciation are eliminated from the accounts and any gain or loss is credited or charged to income.

Provision for depreciation is made by charges to income at rates based upon the estimated useful lives of the assets and is computed by the straight-line method.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Capital Assets (cont.)

Net interest costs are capitalized when incurred on debt where the proceeds were used to finance the construction of capital assets.

Construction in progress is the total actual cost incurred to date on uncompleted construction projects. Depreciation expense is based on the following estimated useful lives:

Assets	Years
Buildings and improvements	10 - 30
Runways, taxiways & lights	10 - 30
Equipment	3 - 20
Access roads	5 - 20

Bond Premiums and Bond Issuance Costs

Bond premiums are deferred and amortized over the term of the bonds using the effective interest method, or the straight-line method when not materially different. Issuance costs associated with refunded bonds are recognized as period expenses and any loss or gain on the refunding of debt is recorded as a deferred outflow of resources and amortized. Bond premiums are presented as an addition to the face amounts of the revenue bonds payable.

Compensated Absences

Compensated absences, (i.e. paid absences for employee vacation leave) are accrued as expenses when leave is earned. The Commission recognizes a liability for vacation leave only if the employee's right to receive benefits are attributable to services already rendered. The Commission classifies the accrued liability as current or non-current depending on when the leave is expected to be used, which is typically a current item in anticipation of leave being paid or used in the upcoming year.

Post-Employment Benefits

For post-employment pension benefits, the Commission follows the requirements of GASB Statement No. 68, *and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This standard establishes the provisions for recognition and measurement of expense and related assets and liabilities as well as the required disclosures.

1. Summary of Significant Accounting Policies (cont.)

Post-Employment Benefits (cont.)

For post-employment healthcare benefits other than pensions, the Commission follows the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This standard establishes the provisions for recognition and measurement of expense and related assets and liabilities as well as the required disclosures.

Net Position

Net position is defined in the following components:

Net investment in capital assets – This component consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of invested capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component is used when there are limitations imposed on their use either through enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Unrestricted – This component consists of net assets that do not meet the definition of “Invested in capital assets, net of related debt” or “Restricted”.

Operating and Non-operating Revenues and Expenses

The Commission distinguishes operating revenues and operating expenses from non-operating revenues and non-operating expenses. Operating revenues and expenses generally result from providing services in connection with principal ongoing operations and include such items as space rental, landing fees, parking and other miscellaneous items. Such items are reported in the accompanying statements of revenues, expenses and changes in net position according to the respective commission cost centers. Transactions that are capital in nature such as passenger facility charges and customer facility charges, which are received for the restricted purpose of investing in future facilities, as well as financing type items such as interest on bonds and earnings or losses on investments, are considered non-operating items. Expenses associated with operating the airport such as employee wages and benefits as well as purchases of services and materials are considered operating expenses and are recorded in or allocated to a cost center for presentation purposes.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Operating and Non-operating Revenues and Expenses (cont.)

The Commission grants unsecured credit to its customers and receives payments from them monthly, in accordance with lease and user fee agreements. Deferred revenue generally represents lease rental payments received in advance and is recognized over the appropriate lease term.

Passenger Facility Charges

The Federal Aviation Administration (the FAA) authorized the Commission to impose a \$4.50 Passenger Facility Charge (PFC) on each enplaning passenger. These funds are restricted cash and must be used for Airport planning and development projects approved by the FAA or for bond-associated debt service and financing costs incurred on that portion of a bond issued to carry out approved projects. The Commission accounts for passenger facility charges in advance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues. The total amount, which includes the charges and interest earned, reflected as non-operating revenue during 2014 and 2013 was \$3,640,888 and \$3,073,621, respectively. PFC reports to the FAA are based on actual collections and do not include accounts receivable. Such amounts collected in 2014 and 2013 are \$3,688,025 and \$3,004,228, respectively; and remaining collections unspent as of December 31, 2014 and 2013 are \$560,208 and \$1,126,300, respectively.

Customer Facility Charges

The Commission requires car rental companies to charge a Customer Facility Charge (CFC), currently \$3.00 per rental, to be used to reimburse the Commission for costs, fees and expenses associated with capital improvements to the rental car facilities. These funds are restricted cash and must be used for airport planning and development projects approved by the rental car companies. In accordance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues and not contributed capital, the total amount, which includes the charges and interest earned, reflected as non-operating revenue during 2014 and 2013 was \$611,273 and \$548,616, respectively.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

General Aviation Fund Charges

The Commission requires companies that operate general aviation facilities at the airport to charge a General Aviation Fund Charge (GAF) to be used to reimburse the Commission for costs, fees and expenses associated with capital improvements to the general aviation facilities. These funds are restricted cash and must be used for Airport planning and development projects approved by the general aviation companies. In accordance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues and not contributed capital, the total amount, which includes the charges and interest earned, reflected as non-operating revenue during 2014 and 2013 was \$79,130 and \$77,196, respectively.

Savannah Aviation Village Fund Charges

The Commission requires the hotels and other businesses that operate in the development on the airport property to charge a Savannah Aviation Village Fund Charge (SAV) to be used to reimburse the Commission for costs, fees and expenses associated with capital improvements to the roadways and common areas of the development. These funds are restricted cash and must be used for Airport planning and development projects approved by the businesses operating in the Savannah Aviation Village development. In accordance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues and not contributed capital, the total amount, which includes the charges and interest earned, reflected as non-operating revenue during 2013 was \$10,500. During 2014, there were no collections, as the collections for the project were concluded as of June 2013.

Federal and State Financial Assistance

The Commission receives federal and state financial assistance for various airport planning and development projects. This assistance is generally received based on applications submitted to and approved by the granting agencies, the Federal Aviation Administration and the Georgia Department of Transportation. In accordance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues (non-operating revenues noted in the accompanying statements of revenue, expenses and changes in net position as "Capital Contributions"). The total amount, which includes the charges and interest earned, reflected as non-operating revenue during 2014 and 2013, was \$5,932,857 and \$5,580,020, respectively.

Concentrations

For the year ended December 31, 2014, the Commission's revenues from one customer, Delta Airlines with revenues of approximately \$4.3 million or 18% of total operating revenues, represented a concentration of risk.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Taxes

The Commission is exempt from payment of federal and state income, property and certain other taxes.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2014 and 2013 were \$1,740,425 and \$828,331, respectively.

Reclassifications

Certain 2013 balances have been reclassified to conform to the 2014 presentation.

2. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to the Commission. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit, at any time, in any depository for a time longer than ten days, a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to, not less than, 110% of the public funds being secured after the deduction of the amount of depository insurance. The Commission has no custodial credit risk policy that would require additional collateral requirements.

At December 31, 2014, the Commission had the following investments and maturities:

Investment Maturities (in years)						
Type of investment	Average credit rating	Fair value	Less than 1	1-3	4-5	Greater than 5
Primary government Certificates of deposit (CD's)	NR	\$ 43,335,747	\$ 20,668,747	\$ 22,667,000	\$ -	\$ -
Georgia Fund 1 Cash investments at financial institution	AAA	1,688	1,688	-	-	-
	NR	234,209	234,209	-	-	-
		\$ 43,571,644	\$ 20,904,644	\$ 22,667,000	\$ -	\$ -

Savannah Airport Commission

Notes to Financial Statements

2. **Deposits and Investments (cont.)** *Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the risk that issuer or counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk that a significant portion of investments are concentrated with a single or small number or group of counterparties. Custodial credit risk is the risk that the third party providing safekeeping services for the Commission's investments fails to act properly in its fiduciary capacity. State law governs the investment of retirement funds (OCGA 47-20-84) and limits investments to maximum concentrations by investment category (at cost). The Commission has no formal investment policy that would further limit its investment choices or custodial risk.

Section 36-83-4, Code of Georgia, authorizes the Commission to participate in the Office of Treasury and Fiscal Services State Investment Pool (the State Investment Pool), and Section 36-80-3, Code of Georgia, authorizes the Commission to invest in U.S. Treasury Notes and Certificates of Deposit.

The State Investment Pool complies with all state statutes regarding investment of public funds and has an internal investment policy with portfolio restrictions. In addition, it is monitored by Standard and Pools, as weekly reports are submitted to maintain the Pool's AAA rating.

Reconciliation to statements of net position at December 31, 2014:

Investments as reported above	\$ 43,571,644
Less amount included in the financial institution, but reported on the statements of net position in the following account:	
Operations and maintenance reserve	(4,938,306)
Revenue bond renewal and replacement fund	(2,000,000)
Other restricted funds (CFC, SAV, GAF)	(389,587)
<hr/>	
Investments shown on statements of net position	\$ 36,243,751
<hr/>	
Investments shown on statements of net position	
Investments - included in cash equivalents	\$ 405,281
Short-term investments	13,171,470
Non-current investments	22,667,000
<hr/>	
Investments shown on statements of net position	\$ 36,243,751
<hr/>	

Savannah Airport Commission

Notes to Financial Statements

- 3. Restricted Cash and Investments** The Commission is required under a bond resolution, dated June 29, 2011, to maintain: (1) an operating and maintenance reserve account for the payment of operating and maintenance expenses in the event that insufficient funds are available to pay the same when due, and (2) a renewal and replacement fund to be used solely for non-recurring capital costs. At December 31, 2014 and 2013, \$6,938,306 and \$6,322,659, respectively, are invested by the Commission in short-term investments to satisfy these reserve requirements. Such short-term investments include CD's and cash accounts insured with appropriate pledge of securities and by the Federal Deposit Insurance Corporation, and as of December 31, 2014 and 2013, were \$4,938,306 and \$4,322,659, respectively. Such short-term investments required to satisfy the reserve were held funds required by bond resolution to be held as an operating and maintenance reserve. The remaining \$2,000,000 represents the renewal and replacement fund.

Restricted cash consists of the following at December 31:

	2014	2013
Operating and maintenance reserve account	\$ 4,938,306	\$ 4,322,659
Revenue bond renewal and replacement fund	2,000,000	2,000,000
Passenger Facility Charge Fund	560,208	1,126,300
Customer Facility Charge Fund	186,320	721,045
Savannah Aviation Village Fund	10,147	10,312
General Aviation Fund	193,120	139,017
Other Restricted Funds	1,503,188	1,502,554
	\$ 9,391,289	\$ 9,821,887

- 4. Accounts Receivable** Accounts receivable consists mainly of trade receivables and in the case that certain accounts are deemed doubtful as to collection, would be shown net of allowance for doubtful accounts. There is no allowance for doubtful accounts as of December 31, 2014 and 2013, as management, after evaluation of such accounts based upon historical collections and evaluation of individual customer credit, determined all accounts were considered collectible.

Savannah Airport Commission

Notes to Financial Statements

5. Direct Financing Leases

The Commission has financed the construction of certain buildings and improvements for its customers using direct financing leases.

Federal Express

The Commission entered into a lease agreement with Federal Express in which the Commission agreed to finance the construction of a package distribution center at an original cost of \$2,136,390. The direct financing lease has a term of 20 years and an interest rate of 9.00% and expires in 2016.

Delta Airlines

The Commission entered into a lease agreement with Delta Airlines (Delta) in which the Commission agreed to finance the modification of Delta's outboard bag conveyor system at a cost \$111,450. The direct financing lease has a term of 15 years and an interest rate of 6.91% and expires in 2015.

Signature Flight Support

The Commission entered into a lease agreement with Signature in which the Commission agreed to finance the construction of general improvements to facilities leased by Signature, at a cost of \$66,821. The direct financing lease has a term of 30 years and an interest rate of 10.00% and expires in 2027.

The Commission entered into a lease agreement with Signature in which the Commission agreed to finance the construction of an office and lounge, at a cost of \$422,970. The direct financing lease has a term of 30 years and an interest rate of 10.00% and expires in 2027.

The Commission entered into a lease agreement with Signature in which the Commission agreed to finance the construction of a hangar, at a cost of \$284,412. The direct financing lease has a term of 30 years and an interest rate of 10.00% and expires in 2027.

The Commission entered into a lease agreement with Signature in which the Commission agreed to finance the construction of a hangar, at a cost of \$212,509. The direct financing lease has a term of 20 years and an interest rate of 8.00% and expires in 2022.

Savannah Airport Commission

Notes to Financial Statements

**5. Direct
Financing
Leases (cont.)**

Savannah Aviation

The Commission entered into a lease agreement with Savannah Aviation in which the Commission agreed to finance the construction of a hangar at a cost of \$298,601. The direct financing lease has a term of 20 years and an interest rate of 8.00% and expires in 2019.

The Commission entered into a lease agreement with Savannah Aviation in which the Commission agreed to finance the construction of a Plane Port Importment, at a cost of \$72,493. The direct financing lease has a term of 15 years and an interest rate of 8.00% and expires in 2015.

The Commission entered into a lease agreement with Savannah Aviation in which the Commission agreed to finance the construction of an apron at a cost of \$87,368. The direct financing lease has a term of 27 years and an interest rate of 6.08% and expires in 2029.

Minimum lease payments to be received under direct financing leases as of December 31, 2014, for each of the next five years and thereafter are:

Years ended December 31,

2015	\$	386,891
2016		370,086
2017		273,975
2018		139,426
2019		136,928
Thereafter		736,347
Total minimum lease payments		2,043,653
Less interest		610,031
Present value of minimum lease payments		\$ 1,433,622

Savannah Airport Commission

Notes to Financial Statements

6. Capital Assets

Capital assets consist of the following at December 31, 2014:

	Total 2013	Increases/ Additions	Deletions/ Transfers	Total 2014
Capital assets, not being depreciated				
Land	\$ 10,669,398	\$ -	\$ -	\$ 10,669,398
Construction in progress	28,732,281	5,519,163	(27,570,441)	6,681,003
Total capital assets not being depreciated	39,401,679	5,519,163	(27,570,441)	17,350,401
Capital assets being depreciated				
Buildings and improvements	159,907,954	640,729	-	160,548,683
Runways, taxiways, and lights	80,093,331	23,069,273	-	103,162,604
Equipment	16,138,270	1,172,228	(27,086)	17,283,412
Access roads	18,745,431	2,086,486	-	20,831,917
Total capital assets being depreciated	274,884,986	26,968,716	(27,086)	301,826,616
Less accumulated depreciation for				
Buildings and improvements	73,719,474	5,826,741	-	79,546,215
Runways, taxiways, and lights	43,556,708	2,663,194	-	46,219,902
Equipment	10,647,468	886,370	(27,086)	11,506,752
Access roads	14,237,102	592,390	-	14,829,492
Total accumulated depreciation	142,160,752	9,968,695	(27,086)	152,102,361
Net capital assets	\$ 172,125,913	\$ 22,519,184	\$ (27,570,441)	\$ 167,074,656

Savannah Airport Commission

Notes to Financial Statements

6. Capital Assets (cont.)

Capital assets consist of the following at December 31, 2013:

	Total 2012	Increases/ Additions	Deletions/ Transfers	Total 2013
Capital assets not being depreciated				
Land	\$ 10,696,368	\$ -	\$ (26,970)	\$ 10,669,398
Construction in progress	23,243,788	7,230,032	(1,741,539)	28,732,281
Total capital assets not being depreciated	33,940,156	7,230,032	(1,768,509)	39,401,679
Capital assets being depreciated				
Buildings and improvements	158,502,695	1,405,259	-	159,907,954
Runways, taxiways, and lights	79,779,563	313,768	-	80,093,331
Equipment	16,012,364	413,515	(287,609)	16,138,270
Access roads	18,745,431	-	-	18,745,431
Total capital assets being depreciated	273,040,053	2,132,542	(287,609)	274,884,986
Less accumulated depreciation for				
Buildings and improvements	67,765,203	5,954,271	-	73,719,474
Runways, taxiways, and lights	41,072,185	2,484,523	-	43,556,708
Equipment	10,026,977	914,562	(294,071)	10,647,468
Access roads	13,283,561	953,541	-	14,237,102
Total accumulated depreciation	132,147,926	10,306,897	(294,071)	142,160,752
Net capital assets	\$ 174,832,283	\$ (944,323)	\$ (1,762,047)	\$ 172,125,913

Savannah Airport Commission

Notes to Financial Statements

7. Lease Revenue

The Commission leases its property to commercial airlines, car rental companies, concessionaires, several fixed based operators who service the airline industry, and the Federal Aviation Administration. These leases are cancelable operating leases, with notification requirements ranging from 15 days to six months. Rental income for 2014 and 2013, received through these leases was approximately \$7 million and \$6.6 million, respectively.

As of December 31, 2014, estimated cost of leased land and buildings was \$62.5 million net of accumulated depreciation of \$38.8 million for a carrying value of \$23.7 million.

The Commission also has numerous leases that require the lessee to remit a percentage of its revenue as the rental charge. Rental income for 2014 and 2013, received through these leases was approximately \$5.4 million and \$4.5 million, respectively. Although the actual income to be received in future periods cannot be estimated due to the nature of these leases, management does not anticipate a significant decrease in these rental amounts.

Minimum lease payments to be received under operating leases as of December 31, 2014, for each of the next five years and thereafter are:

<i>Year ended December 31,</i>	
2015	\$ 7,244,211
2016	7,529,621
2017	7,826,277
2018	8,134,620
2019	8,427,466
Thereafter	35,037,979
Total minimum lease payments	\$ 74,200,174

Savannah Airport Commission

Notes to Financial Statements

- 8. Construction Contract Commitments** The Commission has entered into contracts for construction. Status of such contracts as of December 31, 2014 are as follows:

	Project Authorization	Expended to Date	Balance on Contract	Required Further Financing
Navajds - Phase I	\$ 240,625	\$ 240,625	\$ -	None
North Aviation Development	24,472,455	24,472,455	-	None
Airport IT Upgrade	638,506	638,506	-	None
RW 1 Perimeter Rd/Access Gates	1,445,647	975,746	469,901	None
Rental Car Facility Upgrade	1,855,782	1,847,214	8,568	None
Repair Arresting Barriers	1,276,155	1,212,347	63,808	None
Remove & Repaint Taxiway Centerline	83,247	83,247	-	None
Overlay Patrick S Graham Drive	66,043	62,741	3,302	None
Engineering Office Remodel	1,563	1,563	-	None
I-95 Interchange Improvements	594,906	530,289	64,617	None
SAPS Prepwork	53,794	32,097	21,697	None
Fire System Upgrade	354,685	354,685	-	None
Re-Tile Terminal Restrooms	168,959	105,780	63,179	None
I-95 Billboard Tree Clearing	11,975	11,975	-	None
Upgrade Concourse Fan Controls	122,325	122,325	-	None
Clean/Prime/Paint Taxi Canopy	6,300	6,300	-	None
Clean/Prime/Paint Beacon Tower	4,686	4,686	-	None
	\$ 31,397,653	\$ 30,702,581	\$ 695,072	

- 9. City of Savannah Airport Revenue Bonds** On June 29, 2011, the Commission issued \$15,010,000, in revenue bonds, Series 2011 A and 2011 B with an average interest rate of 3.72% to advance refund \$15,630,000 of outstanding Series 2001 A and 2001 B Bonds with an average interest rate of 4.94%.

Savannah Airport Commission

Notes to Financial Statements

9. City of Savannah Airport Revenue Bonds (cont.)

A summary of the long-term indebtedness changes during 2014 and 2013 is as follows at December 31:

	Beginning Balance January 1, 2014	Additions	Decreases	Ending Balance December 31, 2014	Amounts Due Within One Year
Revenue Bonds					
Series 2011 A	\$ 6,665,000	\$ -	\$ (1,115,000)	\$ 5,550,000	\$ -
Series 2011 B	1,275,000	-	(1,275,000)	-	-
Total Revenue Bonds	\$ 7,940,000	\$ -	\$ (2,390,000)	\$ 5,550,000	\$ -

	Beginning Balance January 1, 2013	Additions	Decreases	Ending Balance December 31, 2013	Amounts Due Within One Year
Revenue Bonds					
Series 2011 A	\$ 6,665,000	\$ -	\$ -	\$ 6,665,000	\$ -
Series 2011 B	3,720,000	-	(2,445,000)	1,275,000	-
Total Revenue Bonds	\$ 10,385,000	\$ -	\$ (2,445,000)	\$ 7,940,000	\$ -

Savannah Airport Commission

Notes to Financial Statements

9. **City of Savannah Airport Revenue Bonds (cont.)** Annual requirements to amortize all bonded debt outstanding as of December 31, 2014 are as follows:

		Revenue Bonds, Series 2011 A		
Year		Principal	Interest	Total
2015	\$	-	\$ 316,350	\$ 316,350
2016		2,705,000	260,600	2,965,600
2017		2,845,000	125,350	2,970,350
	\$	5,550,000	\$ 702,300	\$ 6,252,300

In December 2014, the Commission prepaid the Series 2011 A Revenue Bond principal and interest due on January 1, 2015. In December 2013, the Commission prepaid the Series 2011 A and 2011 B Revenue Bond principal and interest due on January 1, 2014. Accordingly, no portion of the revenue bonds outstanding at the end of 2014 and 2013 was classified as current.

10. **Pension Plans**

Plan Description

Permanent employees of the Commission participate in the City of Savannah Employees' Retirement Plan (the Plan). The Plan is an agent multiple-employer defined benefit pension plan, which was established in July 1972, to provide retirement and disability for all full-time general and uniformed personnel of the City of Savannah, the Commission, Metropolitan Planning Commission, and Youth Futures Authority. Membership by all full-time city employees is required by a city ordinance. The Plan is administered by a Pension Board pursuant to the ordinance of the City of Savannah, and is included as a pension trust fund in the financial statements of the City of Savannah. The Mayor and Aldermen of the City of Savannah have the authority to establish and amend pension plan provisions. A stand-alone financial report is not issued for the Plan.

Savannah Airport Commission

Notes to Financial Statements

10. Pension Plans (cont.)

Funding Policy

Plan members are required to contribute 6.65% of their annual covered salary, and the Commission contributes such additional amounts as are necessary, based on actuarial valuations, to provide the Plan with assets sufficient to meet future benefits payable to Plan members. For 2014 and 2013, the Commission's required contribution was \$872,640 and \$748,920, respectively. The contribution requirements of Plan members and the employers are established and may be amended by the Pension Board.

Annual Pension Cost

For 2014, the Commission's annual pension costs for the Plan was equal to the Commission's required and actual contributions. The required contribution was determined as part of the January 1, 2014, actuarial valuation using the projected unit credit actuarial method. The actuarial assumptions included a 7.75% invested rate of return (net of investment and administrative expenses). The actuarial assumptions also include future salary increases ranging from 3.92% to 5.6% depending on age. These salary increases include an allowance for inflation of 3.75% per year. Cost of living increases were 5.00% at participant's adjustment date and 1.00% annual thereafter. The Plan's policy is to amortize the unfunded actuarial accrued liability over 30 years as a level percentage of payroll costs on a closed basis. The remaining amortization period at December 31, 2014 was 29 years.

Three-Year Trend Information for the Commission's Participation in the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Obligation
12/31/2012	\$ 663,528	100%	\$ -
12/31/2013	\$ 748,920	100%	\$ -
12/31/2014	\$ 872,640	100%	\$ -

Savannah Airport Commission

Notes to Financial Statements

10. Pension Plans (cont.) Annual Pension Cost (cont.)

City of Savannah Employees' Retirement Plan
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ 10,151	\$ 16,372	\$ 6,221	62.00%	\$ 6,404	97%
1/1/2013	\$ 10,317	\$ 17,971	\$ 7,654	57.41%	\$ 6,759	113%
1/1/2014	\$ 11,503	\$ 19,271	\$ 7,768	59.69%	\$ 7,108	109%

11. Risk Management

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled through the purchase of commercial insurance. There have been no reductions in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

12. Fair Value of Financial Instruments

The following methods and assumptions were used by the Commission to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash, cash equivalents, and accounts receivable due in less than one year: The carrying amounts reported in the statements of net position approximate fair values because of the short maturities of these financial instruments.

Long-term investments: The fair values of these investments are estimated based on quoted market prices for those investments.

Direct financing leases: The fair values of these receivables are estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Accounts payable and accrued expenses: The carrying amounts reported in the statements of net position approximate fair values because of the short maturities of these financial instruments.

Revenue bonds payable: The fair values of these bonds are estimated by discounting the future cash flows using current market rates for bonds with similar maturities and credit quality.

Savannah Airport Commission

Notes to Financial Statements

12. Fair Value of Financial Instruments (cont.)

The estimated fair values of the Commission's financial instruments are as follows:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and short-term investments	\$ 19,575,696	\$ 19,575,696	\$ 22,733,107	\$ 22,733,107
Accounts receivable	\$ 1,779,517	\$ 1,779,517	\$ 1,536,976	\$ 1,536,976
Long-term investments	\$ 22,667,000	\$ 22,667,000	\$ 9,445,000	\$ 9,445,000
Leases receivable	\$ 1,433,622	\$ 1,698,369	\$ 1,684,525	\$ 2,009,239
Accounts payable and accrued expenses	\$ 920,909	\$ 920,909	\$ 1,349,727	\$ 1,349,727
Revenue bonds payable	\$ 5,822,760	\$ 6,123,437	\$ 8,460,943	\$ 8,506,963

13. Operating Leases

The Commission leases various equipment under operating leases.

Minimum future rental payments under the non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2014, for the next year are \$4,664.

14. Post-Employment Benefits Other than Pensions (OPEB)

Plan Description

The Savannah Airport Commission participates in the City of Savannah's agent multiple-employer defined benefit OPEB Plan (the City of Savannah Employee Benefit Plan) which provides medical and life insurance benefits to its retirees. Membership in the Plan is voluntary. The Plan does not issue a stand-alone financial report.

The Plan covers both general and uniform employees of the participating employers. As of December 31, 2014, employee membership data related to the City of Savannah OPEB Plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,277
Terminated participants entitled to, but not yet receiving benefits	94
Active Plan participants	2,465
Total	3,836

Savannah Airport Commission

Notes to Financial Statements

14. Post-Employment Benefits Other Than Pensions (OPEB) (cont.)

Funding Policy

As administrator of the Plan, the Mayor and Aldermen of the City of Savannah are the authority under which the obligations of the Plan members and the employers to contribute to the Plan are established and are amended. Members are required to contribute 30% of expected funding target for pre-Medicare retirees and 25% for post-Medicare retirees. The remaining contributions are required contributions by the employers.

The Savannah Airport Commission is required to contribute the Annual Required Contribution of the employer (ARC), an amount actuarially determine in accordance with the parameters of GASB Statement 45. The ARC represent a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 8.55% of annual covered payroll.

OPEB Cost

For the fiscal year ended December 31, 2014, the Savannah Airport Commission's annual OPEB cost was \$121,243, which was made up of the annual required contribution (ARC) of \$78,985, the interest on the Net OPEB of \$289,507, and the ARC adjustment of (\$247,249). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, the net obligation for 2014 and the two preceding years were as follows:

Plan Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 663,665	42.46%	\$ 3,773,577
12/31/2013	\$ 620,466	41.60%	\$ 4,135,820
12/31/2014	\$ 121,243	198.49%	\$ 4,016,406

Funded Status and Funding Process

The funded status of the Plan as of December 31, 2013, was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,273,914
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,273,914
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-%
Covered payroll (active plan members)	\$ 7,107,900
UAAL as a percentage of coverage payroll	17.92%

Savannah Airport Commission

Notes to Financial Statements

14. Post-Employment Benefits Other Than Pensions (OPEB) (cont.)

OPEB Cost (cont.)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the actuarial cost method of projected unit credit was used. The actuarial assumptions included a 7% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after six years. Both rates include a 3.75% inflation assumption. The actuarial value of assets was determined using the market value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at January 1, 2014, was twenty-three years.

City of Savannah Employees' Benefit Plan
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 157	\$ 5,442	\$ 5,285	2.89%	\$ 6,404	82.52%
12/31/2012	\$ 1,507	\$ 5,037	\$ 3,530	29.9%	\$ 6,759	52.20%
12/31/2013	\$ -	\$ 1,274	\$ 1,274	-	\$ 7,108	17.92%

- Schedules of Net Airfield Operations
- Schedules of Net Terminal Operations
- Schedules of Net Airport Business Center Operations
- Schedules of Net Commercial Aviation Operations
- Schedules of Net Apron and Parking Operations
- Schedules of Net Non-Aviation Operations
- Schedules of Administrative Expenses



Savannah Airport Commission

Schedules of Net Airfield Operations

<i>Years ended December 31,</i>	2014	2013
Airfield income		
Landing fees	\$ 2,768,718	\$ 2,607,140
Usage charge	182,336	182,252
Fuel farm fees	172,252	188,635
Fuel flow	134,186	126,539
	3,257,492	3,104,566
Airfield expenses		
General	1,038,132	832,916
Maintenance		
Buildings	1,274	16,356
Grounds	400,048	349,839
Equipment	150,538	128,138
Runway	125,150	127,402
Fuel farm expenses	106,434	106,316
Utilities	84,061	70,559
Total expense excluding depreciation	1,905,637	1,631,526
Depreciation	2,437,734	2,235,510
Total expenses	4,343,371	3,867,036
Net airfield loss	\$ (1,085,879)	\$ (762,470)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Terminal Operations

<i>Years ended December 31,</i>	2014	2013
Terminal income		
Car rentals	\$ 3,900,867	\$ 3,257,316
Airlines	5,357,610	5,745,304
Ground transportation	230,135	180,765
Gift shop	587,841	493,331
Restaurant	512,051	423,350
Space rental	355,357	333,268
Advertising	438,821	384,882
Telephone	12,454	12,959
Vending	43,636	33,550
Mini mall	9,429	9,362
Business center	33,000	33,000
Miscellaneous	734	3,561
Common charge/ticket checkers	483,677	539,340
	11,965,612	11,449,988
Terminal expenses		
General	2,249,090	2,208,202
Maintenance		
Buildings	1,885,494	1,573,763
Grounds	48,352	152,439
Janitorial	843,338	774,216
Equipment	283,086	362,047
Security	1,778,704	1,499,239
Utilities	800,475	767,675
Advertising	70,442	70,334
Passport club	67,927	66,652
Visitors center	292,657	295,211
Ticket checkers	635,485	596,951
Starters	139,256	132,596
Total expense excluding depreciation	9,094,306	8,499,325
Depreciation	3,920,128	3,972,225
Total expenses	13,014,434	12,471,550
Net terminal loss	\$ (1,048,822)	\$ (1,021,562)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Airport Business Center Operations

<i>Years ended December 31,</i>	2014	2013
Airport business center income		
Space rental	\$ 210,894	\$ 227,617
Telephone	1,200	1,200
	212,094	228,817
Airport business center expenses		
General	53,252	102,240
Maintenance		
Buildings	2,360	78,266
Grounds	5,628	2,219
Janitorial	-	683
Utilities	79,363	91,146
Total expense excluding depreciation	140,603	274,554
Depreciation	10,746	11,758
Total expense	151,349	286,312
Net airport business center income (loss)	\$ 60,745	\$ (57,495)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Commercial Aviation Operations

<i>Years ended December 31,</i>	2014	2013
Commercial aviation income		
Fixed base operators	\$ 545,519	\$ 516,632
Air cargo building	167,059	212,429
Land lease	1,215,928	1,146,821
Airline freight facility	140,500	140,500
AvGas	147,282	86,733
	2,216,288	2,103,115
Commercial aviation expenses		
General	53,043	131,526
Maintenance		
Buildings	15,984	(2,926)
Utilities	49,483	45,916
Ground support	857	2
Apron	5,636	-
Fuel farm	136,438	63,424
Total expense excluding depreciation	261,441	237,942
Depreciation	229,620	219,360
Total expense	491,061	457,302
Net commercial aviation income	\$ 1,725,227	\$ 1,645,813

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Apron and Parking Operations

<i>Years ended December 31,</i>	2014	2013
Apron income		
Airline fixed payments	\$ 54,381	\$ 55,048
Apron expenses		
General	57	46
Maintenance	1,720	2,180
Utilities	22,770	24,840
Total expense excluding depreciation	24,547	27,066
Depreciation	417,619	415,281
Total expense	442,166	442,347
Net apron loss	\$ (387,785)	\$ (387,299)
Parking income		
Parking	\$ 6,018,305	\$ 5,260,004
Parking expenses		
General	1,111,236	1,196,665
Maintenance		
Buildings	43,349	85,765
Equipment	1,262	357
Grounds	16,599	17,245
Utilities	197,115	152,020
Total expense excluding depreciation	1,369,561	1,452,052
Depreciation	1,773,902	1,949,060
Total expense	3,143,463	3,401,112
Net parking income	\$ 2,874,842	\$ 1,858,892

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Non-Aviation Operations

<i>Years ended December 31,</i>	2014	2013
Non-aviation income		
Land leases	\$ 911,483	\$ 812,344
Space rental	363,398	363,275
Motel	1,400,322	1,263,157
Industrial park	8,500	8,400
Food and beverage	27,109	22,266
Miscellaneous	2,398	3,526
	2,713,210	2,472,968
Non-aviation expenses		
General	402,973	169,860
Maintenance		
Buildings	5,716	8,575
Grounds	514,348	257,183
Equipment	74,553	137,709
Utilities	113,398	115,998
Total expense excluding depreciation	1,110,988	689,325
Depreciation	1,108,069	1,463,464
Total expense	2,219,057	2,152,789
Net non-aviation income	\$ 494,153	\$ 320,179

See independent auditor's report.

Savannah Airport Commission

Schedules of Administrative Expenses

<i>Years ended December 31,</i>	2014	2013
Salaries	\$ 2,017,772	\$ 2,187,321
Employee benefits	818,668	902,394
Contract labor	29,528	-
Marketing	1,632,116	799,118
Professional fees	286,551	206,552
Miscellaneous	138,772	161,339
Dues, travel, and meetings	416,205	296,583
Office supplies and postage	162,454	73,454
Telephone	25,739	34,288
Insurance	88,656	50,421
Equipment rental and service contracts	131,272	106,128
Printing and advertising	3,849	9,945
Total expense excluding depreciation	5,751,582	4,827,543
Depreciation	71,876	40,239
Total expense	\$ 5,823,458	\$ 4,867,782

See independent auditor's report.

**SAVANNAH
HILTON HEAD**
INTERNATIONAL 

This part of the Savannah Airport Commission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the Commission's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

<i>Years ended December 31,</i>	2005	2006	2007	2008
Operating revenues				
Airfield	\$ 2,272,267	\$ 2,259,931	\$ 2,768,868	\$ 2,771,892
Terminal one	8,540,575	9,091,507	10,175,024	10,716,291
Airport business center	554,520	587,187	602,030	538,080
Commercial aviation	856,596	881,942	1,142,107	1,796,019
Apron	115,983	90,726	63,000	91,338
Parking	5,013,113	4,876,777	5,390,209	6,249,602
Non-aviation	1,236,087	1,342,969	1,601,366	1,845,216
Foreign trade zone	299,124	260,174	358,571	302,080
Total operating revenues	18,888,265	19,391,213	22,101,175	24,310,518
Operating expenses				
Airfield	1,100,309	1,034,422	1,137,787	1,409,678
Terminal one	5,447,364	5,506,419	6,495,956	7,102,240
Airport business center	213,311	214,219	198,642	256,319
Commercial aviation	216,259	119,130	653,935	902,736
Apron	45,410	56,620	60,522	50,594
Parking	1,121,765	1,656,356	2,557,176	1,698,719
Non-aviation	564,047	579,969	682,054	978,005
Foreign trade zone	258,802	264,117	263,515	285,211
Administrative expenses	3,031,925	3,170,683	3,430,871	3,770,729
Depreciation	6,333,162	6,176,867	5,893,481	8,139,215
Total operating expenses	18,332,354	18,778,802	21,373,939	24,593,446
Operating income	555,911	612,411	727,236	(282,928)
Non-operating revenues (expenses)				
Passenger facility charges	4,260,863	4,051,496	4,005,853	3,696,856
Customer facility charges	-	-	-	-
General aviation charges	-	-	-	-
Savannah aviation village fund charge	-	-	-	-
Interest revenue	1,446,491	2,263,045	1,275,478	781,817
Interest expense	(1,337,001)	(1,276,841)	(1,188,766)	(1,097,623)
Bond issuance cost amortization	(83,194)	(83,194)	(83,194)	(83,194)
Bond premium amortization	76,139	76,139	76,139	76,139
Loss on bond refunding	(114,711)	(114,711)	(114,711)	(114,711)
Net increase (decrease) in the fair value investments	(226,315)	68,712	152,389	111,400
Recovery of bad debt	2,380	-	148,455	5,401
Gain on disposal of capital assets	31	21,987	(2,699)	5,610
	4,024,683	5,006,633	4,268,944	3,381,695
Income before capital contributions	4,580,594	5,619,044	4,996,180	3,098,767
Capital contributions	3,743,226	8,238,803	5,093,541	5,351,676
Net position adjustment	-	-	-	-
Increase in net position	\$ 8,323,820	\$ 13,857,847	\$ 10,089,721	\$ 8,450,443
Net position at year-end composed of				
Net investment in capital assets	\$ 89,015,246	\$ 109,720,286	\$ 143,893,975	\$ 143,208,779
Restricted	6,173,970	5,867,757	6,053,431	6,006,576
Unrestricted	37,312,534	30,771,554	6,519,912	15,684,406
Total net position	\$ 132,501,750	\$ 146,359,597	\$ 156,467,318	\$ 164,899,761

Savannah Airport Commission

Total Annual Revenues, Expenses and Changes in Net Position

2009		2010		2011		2012		2013*		2014	
\$	2,903,967	\$	2,878,057	\$	2,960,483	\$	2,979,410	\$	3,104,566	\$	3,257,492
	10,511,017		10,442,756		10,651,583		11,022,200		11,449,988		11,965,612
	304,387		190,912		237,774		251,498		228,817		212,094
	1,521,800		1,337,406		1,384,381		1,540,736		2,103,115		2,216,288
	44,947		58,804		59,049		55,080		55,048		54,381
	5,104,720		5,021,958		5,069,763		5,090,084		5,260,004		6,018,305
	1,908,538		1,949,889		2,210,156		2,357,093		2,472,968		2,713,210
	300,606		308,402		41,880		46,637		-		-
	22,599,982		22,188,184		22,615,069		23,342,738		24,674,506		26,437,382
	1,381,902		1,410,421		1,518,448		1,560,643		1,631,526		1,905,637
	7,125,571		7,382,021		7,388,517		8,525,450		8,499,325		9,094,306
	212,080		272,540		278,190		234,919		274,554		140,603
	372,715		211,397		201,895		175,258		237,942		261,441
	37,239		29,406		28,374		27,931		27,066		24,547
	1,626,661		1,516,103		1,367,486		1,382,186		1,452,052		1,369,561
	999,068		1,058,883		1,018,677		770,901		689,325		1,110,988
	308,761		309,242		217,008		112,931		-		-
	3,678,603		3,967,748		4,266,647		4,614,001		4,827,543		5,751,582
	9,496,476		9,768,006		9,833,916		9,812,599		10,306,897		9,969,695
	25,239,076		25,925,767		26,119,158		27,216,819		27,946,230		29,628,360
	(2,639,094)		(3,737,583)		(3,504,089)		(3,874,081)		(3,271,724)		(3,190,978)
	3,088,060		2,717,454		3,047,826		3,115,125		3,073,621		3,640,888
	-		510,033		510,213		530,901		548,616		611,273
	-		77,291		60,288		69,395		77,196		79,130
	-		59,250		60,600		22,000		10,500		-
	890,682		866,356		685,564		553,716		487,125		319,351
	(1,005,643)		(903,999)		(687,586)		(536,837)		(442,838)		(345,038)
	(83,194)		(83,194)		(123,210)		(163,225)		-		-
	76,139		76,139		162,160		248,182		248,182		248,182
	(114,711)		(114,711)		(132,322)		(149,932)		(149,932)		(149,932)
	(65,848)		185,027		(40,831)		(23,667)		(121,987)		(45,893)
	13,557		9,822		-		1,294		-		-
	82,598		85,647		39,708		(10,251)		84,596		11,297
	2,881,640		3,485,115		3,582,410		3,656,701		3,815,079		4,369,258
	242,546		(252,468)		78,321		(217,380)		543,355		1,178,280
	4,988,367		4,842,933		5,167,328		10,478,528		5,580,020		5,932,857
	-		7,208,040		-		-		-		-
\$	5,230,913	\$	11,798,505	\$	5,245,649	\$	10,261,148	\$	6,123,375	\$	7,111,137
\$	141,662,886	\$	147,826,432	\$	150,510,150	\$	164,079,072	\$	163,915,951	\$	161,352,944
	6,243,580		8,465,063		9,286,594		9,181,408		10,193,462		9,715,727
	22,224,208		25,637,684		27,378,084		24,175,496		29,009,263		39,161,142
\$	170,130,674	\$	181,929,179	\$	187,174,828	\$	197,435,976	\$	203,118,676	\$	210,229,813

*2013 has been restated to comply with GASB 65

Savannah Airport Commission

Major Employers in Primary Air Trade Area Current Year and Nine Years Ago

Employer	2014	2005
	Employees	Employees
Gulfstream Aerospace Corporation	10,126	4,505
Memorial Health University Medical Center	5,000	5,473
Savannah-Chatham Board of Education	4,808	*
Ft. Stewart/Hunter Army Airfield	4,637	*
St. Joseph's/Candler	3,304	3,400
City of Savannah	2,795	*
Savannah College of Art and Design	1,590	*
Chatham County	1,578	*
Georgia Port Authority	988	*
Armstrong Atlantic State University	602	*
Walmart	*	2,421
Georgia-Pacific Corporation	*	1,420
Kroger	*	1,100
International Paper	*	1,027
The Home Depot	*	840
Great Dane Trailers	*	650
Savannah Electric	*	550

Source: Savannah Area Chamber of Commerce

*Employer was not considered top ten major employers in respective year.

Savannah Airport Commission

Revenue Bond Coverage Last Ten Calendar Years (Thousands of Dollars)

Year	Gross Revenue	Total Expenses (Excluding Depreciation & Interest)	Net Revenue Available for Debt Service	Current Revenue Bond Debt Service				Coverage
				Principal	Interest	Total		
2005	\$ 20,413	\$ 12,423	\$ 7,990	\$ 1,720	\$ 1,337	\$ 3,057	2.61	
2006	\$ 21,752	\$ 12,731	\$ 9,021	\$ 1,780	\$ 1,277	\$ 3,057	2.95	
2007	\$ 23,601	\$ 15,529	\$ 8,072	\$ 1,865	\$ 1,189	\$ 3,054	2.64	
2008	\$ 25,179	\$ 16,256	\$ 8,923	\$ 1,955	\$ 1,098	\$ 3,053	2.92	
2009	\$ 23,663	\$ 15,941	\$ 7,722	\$ 2,050	\$ 1,006	\$ 3,056	2.53	
2010	\$ 24,058	\$ 16,356	\$ 7,702	\$ 2,155	\$ 904	\$ 3,059	2.52	
2011	\$ 24,134	\$ 16,541	\$ 7,593	\$ 4,535	\$ 688	\$ 5,223	1.45	
2012	\$ 24,768	\$ 17,728	\$ 7,040	\$ 2,350	\$ 537	\$ 2,887	2.44	
2013*	\$ 26,131	\$ 17,789	\$ 8,342	\$ 2,445	\$ 443	\$ 2,888	2.89	
2014	\$ 27,707	\$ 19,809	\$ 7,898	\$ 2,390	\$ 345	\$ 2,735	2.89	

*2013 has been restated to comply with GASB 65

Gross revenue excludes passenger facility charges included in non-operating revenue and capital contributions of \$9,573,745 in 2014 and \$8,635,641 in 2013.

<i>Years ended December 31,</i>	2005	2006	2007	2008
Ratio of authority issued revenue bond debt service to total expenses				
Principal	\$ 1,720,000	\$ 1,780,000	\$ 1,865,000	\$ 1,955,000
Interest	1,337,001	1,276,841	1,188,766	1,097,623
Total debt service	\$ 3,057,001	\$ 3,056,841	\$ 3,053,766	\$ 3,052,623
Total expenses	\$ 20,093,575	\$ 20,184,836	\$ 22,608,221	\$ 25,777,574
Ratio of debt service to total expenses	15%	15%	14%	12%
Debt service per enplaned passenger				
Net debt service	\$ 3,057,001	\$ 3,056,841	\$ 3,053,766	\$ 3,052,623
Enplaned passengers	1,048,372	967,210	1,011,815	988,929
Debt service per enplaned passenger	\$ 2.92	\$ 3.16	\$ 3.02	\$ 3.09
Debt limit per enplaned passenger				
Debt limit	No limit	No limit	No limit	No limit
Enplaned passengers	1,048,372	967,210	1,011,815	988,929
Debt limit per enplaned passenger	N/A	N/A	N/A	N/A
Outstanding debt per enplaned passenger				
Revenue Bonds	\$ 26,147,213	\$ 24,291,074	\$ 22,349,935	\$ 20,318,797
Notes payable	53,392	44,549	100,093	-
Total outstanding debt	\$ 26,200,605	\$ 24,335,623	\$ 22,450,028	\$ 20,318,797
Outstanding debt per enplaned passenger	\$ 25	\$ 25	\$ 22	\$ 21

Savannah Airport Commission

Ratios of Outstanding Debt

	2009	2010	2011	2012	2013*	2014
\$	2,050,000	\$ 2,155,000	\$ 2,275,000	\$ 2,350,000	\$ 2,445,000	\$ 2,390,000
	1,005,643	903,999	687,586	536,838	442,838	345,038
	3,055,643	3,058,999	2,962,586	2,886,838	2,887,838	2,735,038
\$	26,508,472	\$ 27,027,671	\$ 27,103,107	\$ 28,100,731	\$ 28,660,987	\$ 30,169,223
	12%	11%	11%	10%	10%	9%
\$	3,055,643	\$ 3,058,999	\$ 2,962,586	\$ 2,886,838	\$ 2,887,838	\$ 2,735,038
	821,216	835,728	817,631	814,496	823,494	963,385
\$	3.72	\$ 3.66	\$ 3.62	\$ 3.54	\$ 3.51	\$ 2.84
	No limit	No limit	No limit	No limit	No limit	No limit
	821,216	835,728	817,631	814,496	823,494	963,385
	N/A	N/A	N/A	N/A	N/A	N/A
\$	18,192,658	\$ 15,961,519	\$ 13,752,306	\$ 11,154,124	\$ 8,460,942	\$ 5,822,760
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	18,192,658	\$ 15,961,519	\$ 13,752,306	\$ 11,154,124	\$ 8,460,942	\$ 5,822,760
\$	22	\$ 19	\$ 17	\$ 14	\$ 10	\$ 6

* 2013 has been restated to comply with GASB 65

Savannah Airport Commission

Demographic Statistics Last Ten Calendar Years

Year	Population (1)	Chatham County Per Capita Income (2)	Personal Income (000's) (2)	School Enrollment (3)	Unemployment Rate (4)
2005	131,510	\$ 36,790	\$ 10,183,000	34,544	4.40
2006	131,510	\$ 36,790	\$ 10,998,000	33,962	3.90
2007	131,510	\$ 36,790	\$ 11,272,950	33,962	4.50
2008	130,331	\$ 37,850	\$ 9,407,040	33,962	8.10
2009	127,889	\$ 41,022	\$ 10,303,000	34,500	8.70
2010	265,128	\$ 40,178	\$ 10,325,000	35,362	9.00
2011	271,544	\$ 38,748	\$ 10,295,000	35,355	8.70
2012	276,434	\$ 41,480	\$ 11,263,750	36,794	7.40
2013	280,359	\$ 41,804	\$ 11,556,179	37,487	6.20
2014	278,434	\$ 41,859	\$ 11,655,003	38,375	5.50

Sources: (1) U.S. Census Bureau
(2) Bureau of Economic Analysis
(3) Savannah-Chatham County Board of Education
(4) State Department of Labor

Savannah Airport Commission

Industry Specific Trend Data Last Ten Calendar Years

Year	Enplanements	Deplanements	Total Passengers	Available Seats	Load Factor
2005	1,048,372	1,056,519	2,104,891	1,412,194	74%
2006	967,210	965,383	1,932,593	1,224,943	79%
2007	1,011,815	1,017,634	2,029,449	1,333,908	76%
2008	988,929	981,036	1,969,965	1,319,254	75%
2009	821,216	829,167	1,650,383	1,093,625	75%
2010	835,723	817,574	1,653,301	1,091,052	77%
2011	817,631	794,808	1,612,439	1,084,319	75%
2012	814,496	797,504	1,612,000	1,034,307	79%
2013	823,494	818,594	1,642,088	1,041,740	79%
2014	963,385	953,176	1,916,561	1,172,334	82%

Source: Savannah Airport Commission, Finance Department

	2014	Percent of Total 2014	2013	Percent of Total 2013
Airline				
Delta Air Lines	409,511	34.57%	414,153	39.68%
United Express (ExpressJet)	134,643	11.37%	131,057	12.56%
JetBlue	119,116	10.06%	-	-
US Airways Express (Mesa)	114,541	9.67%	124,798	11.96%
PSA Airlines	85,836	7.25%	86,597	8.30%
Delta Connection (ExpressJet)	55,660	4.70%	28,034	2.69%
American Eagle	45,709	3.86%	46,596	4.46%
Endeavor	42,732	3.61%	-	-
US Airways Express (Air Wisconsin)	35,908	3.03%	35,767	3.43%
Delta Connection (GoJet)	30,485	2.57%	18,425	1.77%
US Airways Express (Republic Airlines)	19,480	1.64%	32,429	3.11%
United Express (Mesa)	11,725	0.99%	8,943	0.86%
Delta Connection (Compass)	7,171	0.61%	28,251	2.71%
Shuttle America	1,023	0.09%	20,462	1.96%
US Airways Express (Piedmont)	888	0.07%	420	0.04%
US Airways Express (Chautauqua)	-	-	3,277	0.31%
Delta Connection (Pinnacle)	-	-	769	0.07%
Sky West Airlines (United)	-	-	67	0.01%
Continental	-	-	-	-
Delta Connection (Comair)	-	-	-	-
Trans States Airline	-	-	-	-
US Airways Express	-	-	-	-
Delta Connection (Chautauqua)	-	-	-	-
United Airlines	-	-	-	-
Allegiant Air	-	-	-	-
Vision Airlines	-	-	-	-
Sky West Airlines (Delta)	-	-	-	-
Pinnacle Airlines	-	-	-	-
AirTran Airlines	-	-	-	-
Northwest Airlines	-	-	-	-
Independence Air	-	-	-	-
United Express (Air Wisconsin)	-	-	-	-
AirTran Airlines (Air Wisconsin)	-	-	-	-
Northwest Airlink	-	-	-	-
Atlantic Coast	-	-	-	-
Total scheduled	1,114,428	94.08%	980,045	93.89%
Total non-scheduled	5,654	0.48%	2,195	0.21%
Cargo carriers				
Federal Express	54,252	4.58%	51,440	4.93%
Air Cargo Carriers	6,426	0.54%	6,606	0.63%
Suburban Air Freight	3,548	0.30%	3,487	0.33%
Martinaire, Inc.	113	0.01%	51	0.00%
Wiggins Airways	76	0.01%	-	0.00%
Ram Air Freight	-	-	-	-
Air Now	-	-	-	-
DHL Express	-	-	-	-
Superior Aviation	-	-	-	-
Jim Hankins Air	-	-	-	-
ABX Air, Inc.	-	-	-	-
Total cargo	64,415	5.44%	61,584	5.90%
Grand total	1,184,497	100.00%	1,043,824	100.00%

Source: PASSUR, passive radar software

Savannah Airport Commission

Airline Landed Weights (1,000 lbs.) 2005 - 2014

2012	2011	2010	2009	2007	2008	2006	2005
415,927	395,480	314,574	309,843	448,204	457,462	434,229	473,090
110,595	41,991	58,092	-	-	-	-	-
87,675	70,635	79,894	88,198	74,825	51,232	67,733	27,680
88,326	58,031	52,395	54,451	46,334	55,836	20,445	6,110
26,794	27,793	69,302	69,199	23,680	5,953	21,912	5,491
48,425	56,540	58,273	66,683	38,162	51,826	33,800	36,140
28,576	15,933	17,625	5,217	21,620	8,648	25,286	1,034
9,581	-	-	-	-	-	-	-
47,239	99,827	86,301	80,587	25,924	58,622	3,326	-
12,596	6,432	25,256	59,232	103,186	87,773	82,076	16,320
11,557	-	6,147	-	-	-	-	-
19,759	292	8,755	1,181	2,115	3,090	-	-
204	684	305	926	1,147	2,475	341	5,804
8,032	255	-	213	10,807	2,510	5,148	15,560
5,276	48,317	45,477	12,300	-	750	-	-
-	-	-	1,206	38,418	35,229	60,428	19,766
36,107	79,312	82,057	80,720	84,523	99,977	82,971	73,171
8,910	4,430	13,323	61,572	101,872	83,289	102,632	158,907
4,469	7,892	16,255	34,252	-	10,084	-	596
753	898	7,926	19,788	76,090	74,513	66,284	161,047
298	28,635	36,252	11,914	8,789	6,345	-	-
-	44,997	17,304	20,069	-	2,255	-	-
-	8,648	2,083	-	-	-	-	-
-	1,554	-	-	-	-	-	-
-	-	300	1,051	-	-	-	-
-	-	-	24,742	19,834	60,583	35,612	49,742
-	-	-	-	117,568	71,432	103,064	89,232
-	-	-	-	14,578	99	5,738	-
-	-	-	-	-	-	658	88,031
-	-	-	-	-	-	-	74,448
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
971,099	998,576	997,896	1,003,344	1,257,676	1,229,983	1,151,683	1,302,169
4,812	4,139	5000	4,439	916	937	567	2,084
42,563	49,068	44,578	45,978	42,166	44,800	42,008	42,135
4,238	6,094	6,232	4,046	-	-	-	-
2,450	2,773	4,294	4,233	-	-	-	-
8,876	2,146	2,408	896	-	-	-	-
988	-	-	-	-	-	-	-
-	-	77	276	-	-	-	-
-	-	-	1,326	12,339	3,574	28,699	8,981
-	-	-	510	26,072	26,274	26,288	-
-	-	-	-	-	-	-	2,346
-	-	-	-	-	-	-	4,036
-	-	-	-	-	-	-	25,751
59,115	60,081	57,589	57,265	80,577	74,648	96,995	83,249
1,035,026	1,062,796	1,060,485	1,065,048	1,339,169	1,305,568	1,249,245	1,387,502

	2014	Percent of Total 2014	2013	Percent of Total 2013
<u>Airline</u>				
Delta Air Lines	367,560	38.15%	346,474	42.07%
United Express (ExpressJet)	126,028	13.08%	119,552	14.52%
JetBlue	104,402	10.84%	-	-
US Airways Express (Mesa)	98,421	10.22%	96,914	11.77%
PSA Airlines	74,807	7.77%	73,237	8.89%
American Eagle	44,151	4.58%	45,769	5.56%
Delta Connection (ExpressJet)	36,152	3.75%	23,438	2.85%
US Airways Express (Air Wisconsin)	30,351	3.15%	29,982	3.64%
Delta Connection (Endeavor)	27,980	2.90%	-	-
Delta Connection (GoJet)	22,510	2.34%	13,488	1.64%
US Airways Express (Republic Airlines)	17,260	1.79%	28,020	3.40%
United Express (Mesa)	7,902	0.82%	7,629	0.93%
Delta Connection (Compass)	4,089	0.42%	20,866	2.53%
Shuttle America	818	0.08%	14,549	1.77%
US Airways Express (Piedmont)	134	0.01%	100	-
US Airways Express (Chautauqua)	-	0.00%	1,921	0.23%
Delta Connection (Pinnacle)	-	0.00%	644	0.08%
Continental	-	-	-	0.00%
Delta Connection (Comair)	-	-	-	0.00%
Trans States Airline	-	-	-	0.00%
Delta Connection (Chautauqua)	-	-	-	0.00%
United Airlines	-	-	-	-
Allegiant Air	-	-	-	-
Vision Airlines	-	-	-	-
US Airways Express	-	-	-	-
Delta Connection (Sky West)	-	-	-	-
Pinnacle Airlines	-	-	-	-
United Express (Sky West)	-	-	-	-
AirTran Airlines	-	-	-	-
Northwest Airlines	-	-	-	-
Independence Air	-	-	-	-
United Express (Air Wisconsin)	-	-	-	-
Atlantic Coast	-	-	-	-
Northwest Airlinck	-	-	-	-
AirTran Airlines (Air Wisconsin)	-	-	-	-
Total	962,565	99.91%	822,583	99.89%
Non-scheduled	820	0.09%	911	0.11%
Grand total	963,385	100.00%	823,494	100.00%

Source: Individual Airlines

Savannah Airport Commission

Enplaned Passengers 2005 - 2014

2012	2011	2010	2009	2008	2007	2006	2005
346,857	301,000	241,441	247,429	356,262	343,265	348,371	378,044
95,592	34,094	48,920	-	-	-	-	-
72,159	58,704	69,174	68,842	38,758	56,750	66,070	24,901
73,303	51,289	47,225	45,702	44,766	38,928	15,574	5,114
46,386	50,470	49,445	52,665	45,401	35,185	32,754	34,375
21,896	25,611	62,067	59,165	4,885	19,164	20,064	5,435
26,740	14,017	14,576	4,375	7,354	18,978	21,873	989
-	-	-	-	-	-	-	-
7,122	-	-	-	-	-	-	-
40,099	77,188	64,578	61,406	50,036	19,933	2,986	-
8,593	5,410	19,821	48,467	71,374	87,669	68,273	13,098
8,823	-	5,749	-	-	-	-	-
13,891	285	7,596	1,155	3,070	1,859	-	-
-	302	8	590	957	430	-	3,496
5,819	257	-	149	1,859	9,591	5,169	10,837
4,151	44,441	45,211	11,323	660	-	-	-
30,573	66,084	71,114	74,225	87,758	77,869	77,456	68,131
7,263	4,167	11,012	48,627	69,102	81,431	80,663	117,387
3,528	6,527	14,917	29,236	9,438	-	-	578
258	27,882	40,263	11,459	3,893	6,585	-	-
-	40,953	16,196	18,762	2,351	-	-	-
-	6,578	1,122	-	-	-	-	-
-	928	-	-	-	-	-	-
-	-	3,141	11,448	49,370	58,636	51,849	128,543
-	-	255	790	-	-	-	-
-	-	-	23,480	52,925	18,172	30,559	41,944
-	-	-	1,131	25,877	28,757	48,897	15,941
-	-	-	-	62,450	94,940	89,839	73,570
-	-	-	-	-	13,307	5,889	-
-	-	-	-	-	-	603	60,926
-	-	-	-	-	-	-	63,742
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
813,053	816,187	833,831	820,426	988,546	1,011,449	966,889	1,047,051
1,443	1,444	1,897	790	383	366	321	1,321
814,496	817,631	835,728	821,216	988,929	1,011,815	967,210	1,048,372

Savannah Airport Commission

Aircraft Operations 2005 – 2014

Year	Airlines	Cargo	General Aviation	Military	Total
2005	13,815	31,002	52,584	6,587	103,988
2006	16,353	23,399	55,332	7,844	102,928
2007	18,458	24,267	51,242	6,042	100,009
2008	17,983	23,786	46,173	6,364	94,306
2009	15,572	22,512	50,501	6,621	95,206
2010	14,378	24,173	52,867	8,369	99,787
2011	13,946	24,093	52,746	8,021	98,806
2012	15,150	21,532	45,259	8,385	90,326
2013	15,332	20,554	41,778	7,294	84,958
2014	18,121	20,543	38,648	7,778	85,090
Annual Compounded Growth					
2005 - 2014	3.06%	-4.47%	-3.36%	1.86%	-2.20%

Source: FAA

Savannah Airport Commission

Airlines Serving the Savannah/Hilton Head International Airport

PRIMARY CARRIERS

American Airlines/US Airways
Delta Air Lines
United Airlines
JetBlue Airways

AFFILIATE CARRIERS

Air Wisconsin d/b/a US Airways Express
Compass Airlines d/b/a Delta Connection
Endeavor d/b/a Delta Connection
Express Jet d/b/a Delta Connection
Express Jet d/b/a United Express
Go Jet Airlines d/b/a Delta Airlines
Mesa d/b/a United Express
Mesa d/b/a/ US Airways Express
Piedmont d/b/a US Airways Express
PSA d/b/a US Airways Express
Republic Airlines d/b/a US Airways Express
Shuttle America d/b/a Delta Connection

ALL CARGO CARRIERS

Air Cargo Carriers
Federal Express
Martinaire Aviation
Suburban Air Freight
Wiggins Airways

Customer Name	Revenue From Customers 2014	Percentage of Total Revenue 2014	Revenue From Customers 2013	Percent of Total Revenue 2013	2012
Delta Airlines	\$ 4,269,161	18.11%	\$ 4,321,510	19.33%	\$ 4,137,592
American Airlines	\$ 1,444,405	6.13%	\$ -	-	\$ -
US Airways	\$ 710,666	3.01%	\$ 1,738,024	7.78%	\$ 1,594,722
Gulfstream	\$ 1,603,327	6.80%	\$ 1,333,438	5.97%	\$ 809,977
United Airlines	\$ 1,090,830	4.63%	\$ 1,208,256	5.41%	\$ 537,657
Hertz Rent A Car	\$ 1,205,561	5.11%	\$ 1,071,008	4.79%	\$ 1,019,274
Vanguard/(ANC Car Rental)	\$ 969,881	4.11%	\$ 767,753	3.43%	\$ 803,237
American Eagle	\$ -	-	\$ 749,316	3.35%	\$ 721,951
Signature Flight Support	\$ 497,662	2.11%	\$ 668,386	2.99%	\$ 698,769
Enterprise	\$ 648,022	2.75%	\$ 633,847	2.84%	\$ 576,510
Avis Rent A Car	\$ 621,366	2.64%	\$ 556,467	2.49%	\$ 579,394
Paradies	\$ 679,311	2.88%	\$ 547,145	2.45%	\$ 566,346
Budget Car Rental	\$ 650,412	2.76%	\$ 534,221	2.39%	\$ 533,998
Host, Inc.	\$ 611,152	2.59%	\$ 511,211	2.29%	\$ 483,713
Federal Express	\$ 256,063	1.09%	\$ 462,028	2.07%	\$ 431,745
Chatham Co. Mosq Control	\$ 386,004	1.64%	\$ 383,312	1.71%	\$ 380,620
Express Jet-United	\$ -	-	\$ 328,357	1.47%	\$ 337,242
Mesa - US Airways	\$ 297,798	1.26%	\$ 311,991	1.40%	\$ 210,414
Thrifty	\$ 363,853	1.54%	\$ 289,152	1.29%	\$ 274,995
ASA - United	\$ 349,290	1.48%	\$ -	-	\$ -
TSA	\$ 245,247	1.04%	\$ 245,674	1.10%	\$ 231,165
PSA Airlines	\$ 223,369	0.95%	\$ 217,013	0.97%	\$ 212,482
Dollar Rent A Car	\$ 223,342	0.95%	\$ -	-	\$ -
Goodwill Industries	\$ 211,446	0.90%	\$ 214,926	0.96%	\$ 234,534
Mesa - United	\$ -	-	\$ -	-	\$ 398,304
Continental Express	\$ -	-	\$ -	-	\$ 434,778
Republic Airlines	\$ -	-	\$ -	-	\$ -
ASA-Delta Connection	\$ -	-	\$ -	-	\$ -
Comair	\$ -	-	\$ -	-	\$ -
Airtran Airways	\$ -	-	\$ -	-	\$ -
Independence Air	\$ -	-	\$ -	-	\$ -
Air Wisconsin	\$ -	-	\$ -	-	\$ -

*Alamo and National merged in 2002 becoming Vanguard, ANC Car Rental.

** During 2009 the contract for Standard Parking expired. The parking garage is managed internally.

Source: Savannah Airport Commission, Finance Department

Savannah Airport Commission

Principal Customers

	2011	2010	2009	2008	2007	2006	2005
\$	3,901,914	\$ 3,265,473	\$ 2,738,673	\$ 2,491,672	\$ 2,100,166	\$ 1,842,519	\$ 1,736,863
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	1,471,922	\$ 1,128,906	\$ 669,034	\$ 641,262	\$ 541,167	\$ 440,194	\$ 620,027
\$	458,043	\$ 523,246	\$ 841,326	\$ 774,954	\$ 652,344	\$ 512,047	\$ 494,885
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	984,063	\$ 1,063,263	\$ 809,929	\$ 961,052	\$ 1,085,563	\$ 1,117,707	\$ 1,163,564
\$	817,442	\$ 906,650	\$ 766,853	\$ 745,783	\$ 805,604	\$ 761,032	\$ 675,938
\$	780,517	\$ 639,325	\$ 664,881	\$ 370,834	\$ -	\$ -	\$ -
\$	674,465	\$ 706,978	\$ 656,222	\$ 595,720	\$ 552,708	\$ 584,616	\$ 563,131
\$	522,201	\$ 523,937	\$ 372,726	\$ 318,859	\$ 283,800	\$ -	\$ -
\$	594,835	\$ 640,891	\$ 539,353	\$ 625,343	\$ 684,938	\$ 664,571	\$ 594,036
\$	559,506	\$ 527,667	\$ 503,995	\$ 623,988	\$ 531,282	\$ 471,828	\$ 527,399
\$	511,930	\$ 565,758	\$ 457,249	\$ 562,422	\$ 507,984	\$ 513,434	\$ 536,982
\$	481,628	\$ 451,941	\$ 436,546	\$ 554,488	\$ 512,734	\$ 476,812	\$ 524,277
\$	439,845	\$ 420,431	\$ 420,864	\$ -	\$ 278,024	\$ 274,565	\$ 276,609
\$	378,467	\$ 376,313	\$ 374,259	\$ 372,006	\$ 369,852	\$ 369,852	\$ 369,852
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	162,457	\$ 284,567	\$ 490,780	\$ -	\$ -	\$ -	\$ -
\$	240,731	\$ 354,420	\$ -	\$ 300,477	\$ -	\$ 234,132	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	246,121	\$ 322,992	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	234,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	694,558	\$ 600,664	\$ 580,607	\$ 521,219	\$ 505,220	\$ 379,163	\$ -
\$	838,507	\$ 798,798	\$ 711,378	\$ 633,977	\$ 477,213	\$ 414,703	\$ 348,477
\$	229,601	\$ 282,057	\$ 452,333	\$ -	\$ -	\$ -	\$ -
\$	-	\$ 262,115	\$ 439,794	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ 320,252	\$ 348,653	\$ 292,933	\$ 388,780
\$	-	\$ -	\$ -	\$ 469,323	\$ 613,014	\$ 544,032	\$ 451,266
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,606
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,698

Savannah Airport Commission

Miscellaneous Statistical Information

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Date of incorporation - 1952										
Employees										
Number of employees	105	148	163	170	182	173	171	175	172	184
Terminal building	299,195 SF	299,195 SF	352,641 SF	352,641 SF	352,641 SF	352,641 SF	352,641 SF	352,641 SF	352,641 SF	352,641 SF
Land owner	3,638 acres	3,638 acres	3,638 acres	3,638 acres	3,638 acres					
Airport business center	112,000 SF	112,000 SF	112,000 SF	112,000 SF	112,000 SF					
Runways										
Runway 9/27	9,351 feet	9,351 feet	9,351 ft x	9,351 ft x	9,351 feet	-	-	-	-	-
Runway 18/36	7,001 feet	7,001 feet	7,002 ft x	7,002 ft x	7,001 feet	-	-	-	-	-
Runway 10/28	-	-	-	-	-	9,351 ft x 150 ft	9,351 ft x 150 ft			
Runway 19/1	-	-	-	-	-	7,002 ft x 150 ft	7,002 ft x 150 ft			
Total gates	-	-	15	15	15	15	15	15	15	15
Terminal gates in use	10	10	9	10	8	8	8	8	8	9
Number of airlines serviced	12	17	19	20	21	22	22	21	17	16
Number of rental car agencies on property	7	7	7	7	7	7	7	7	7	8
Number of taxi/limousine companies servicing airport	48	48	49	79	66	63	65	72	79	80
Number of concessionaires in terminal building	12	14	15	16	16	16	18	17	17	17
Number of public parking spaces	2,594	2,594	3,914	3,954	3,954	3,954	3,954	3,954	3,954	3,914

Source: Savannah Airport Commission, Finance Department

Independent auditor's report on compliance and on internal control over financial reporting based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*.

Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

Independent auditor's report on compliance with the revenue use requirements of 49 U.S.C. section 47107(B) and the Federal Aviation Administration's policy and procedures regarding the use of airport revenues.

Report on passenger facility charge program compliance and on internal control compliance.





HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

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

The Commissioners
Savannah Airport Commission

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 business-type activities and each major fund of Savannah Airport Commission (the Commission) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 22, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectively submitted,

Hancock Asken & Co., LLP

Savannah, Georgia
June 22, 2015



HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

The Commissioners
Savannah Airport Commission

Compliance

We have audited the compliance of Savannah Airport Commission (the Commission) with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance 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 occurred. A compliance audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on the Commission's compliance with those requirements.

Opinion

In our opinion, Savannah Airport Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Internal Control over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, 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 Commission'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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Savannah Airport Commission as of and for the year ended December 31, 2014, and have issued our report thereon dated June 22, 2015. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Savannah Airport Commission's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Savannah Airport Commission. The supplementary information and the schedules of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Restricted Use

This report is intended solely for the information and use of management, the Commissioners of the Savannah Airport Commission, others within the entity, the United States Department of Transportation, the Federal Aviation Administration and Georgia Department of Labor. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Hancock Asken & Co., LLP

Savannah, Georgia
June 22, 2015



HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REVENUE USE REQUIREMENTS
OF 49 U.S.C. SECTION 47107(B) AND THE FEDERAL AVIATION ADMINISTRATION'S POLICY AND
PROCEDURES REGARDING THE USE OF AIRPORT REVENUES**

The Commissioners
Savannah Airport Commission

We have audited the basic financial statements of the Savannah Airport Commission as of and for the year ended December 31, 2014, and have issued our report thereon dated June 22, 2015.

Compliance

We have audited the compliance of the Savannah Airport Commission with the revenue use requirements of 49 U.S.C. Section 47107(B) and the Federal Aviation Administration's Policy and Procedures Regarding the Use of Airport Revenues. Compliance with these requirements is the responsibility of the Savannah Airport Commission's management. Our responsibility is to express an opinion on the Savannah Airport Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about the Savannah Airport Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Savannah Airport Commission's compliance with those requirements.

In our opinion, the funds paid and property or services transferred from the Savannah Airport Commission were paid or transferred in a manner consistent with 49 U.S.C. Section 47107(B) and the Federal Aviation Administration's Policy and Procedures Regarding the Use of Airport Revenues for the year ended December 31, 2014.

Internal Control over Compliance

The management of the Savannah Airport Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of 49 U.S.C. Section 47107(B) and the Federal Aviation Administration's Policy and Procedures Regarding the Use of Airport Revenues. In planning and performing our audits, we considered the Savannah Airport Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Restricted Use

This report is intended solely for the information and use of the Commissioners of the Savannah Airport Commission, management, the United States Department of Transportation, the Federal Aviation Administration, and the Georgia Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Hancock Asken & Co., LLP". The signature is written in a cursive, flowing style.

Savannah, Georgia
June 22, 2015

**SAVANNAH
HILTON HEAD**

I N T E R N A T I O N A L



Savannah Airport Commission

Schedule of Expenditures of Federal Awards

December 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Numbers	Amount of Federal Expenditures
Capital contributions			
Federal Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106*	N/A	\$ 5,880,514
			\$ 5,880,514

*Major program as defined by United States Office of Management and Budget Circular A-133.

Savannah Airport Commission

Notes to Schedule of Expenditures of Federal Awards

-
- 1. General** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Commission. The Commission's reporting entity is defined in Note 1 to the Commission's basic financial statements. All federal awards received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

 - 2. Basis of Accounting** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Commission's basic financial statements. The Commission accounts for this federal financial assistance as non-operating revenue.

 - 3. Relationship to Financial Statements** Federal program award revenues are reported as non-operating revenue in the Commission's basic financial statements as follows:

<hr/>	
Federal construction grants	\$ 5,880,514
<hr/>	

 - 4. Relationship to Federal Financial Reports** Amounts reported in the accompanying schedule agree with amounts reported in the related federal financial reports.

Savannah Airport Commission

Schedule of Findings and Questioned Costs

Year ended December 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unqualified

Internal control over financial reporting

Material weakness identified? _____ yes X no

Significant deficiency identified not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs

Material weakness identified? _____ yes X no

Significant deficiency identified not considered to be material weakness? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? _____ yes X no

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
20.106	Federal Aviation Administration - Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings

None reported



HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE**

The Commissioners
Savannah Airport Commission

Compliance

We have audited the compliance of the Savannah Airport Commission (the Commission) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for its Passenger Facility Charge program for the year ended December 31, 2014. Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

In our opinion, Savannah Airport Commission has complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge program for the year ended December 31, 2014.

Internal Control over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge program. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Restricted Use

This report is intended solely for the information and use of the Commissioners of the Savannah Airport Commission, management, the United States Department of Transportation, the Federal Aviation Administration, and the Georgia Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Hancock Asken & Co., LLP

Savannah, Georgia
June 22, 2015

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2014	Cumulative as of December 31, 2014
PFC income		
PFC revenue	\$ 3,686,570	\$ 62,753,950
Interest	1,454	835,313
Total PFC income	3,688,024	63,589,263
Expenditures		
Gilbert Southern - Apron	-	316,549
Dunn Const. inv #3,6,7, 10-17	-	780,771
Palmetto Pile Driving	-	221,395
Montgomery Elevators inv #1-6, 10-11	-	394,000
Consultant/professional fees	-	581,242
Federal Sign inv #1	-	27,995
Higgerson inv #26	-	298,474
Bank of NY - Debt Svc 92 Bonds/2001 Bond Ref.	1,709,398	40,317,300
Helipad	-	60,177
HNTB AIP 20	-	34,633
Ballenger AIP 21	-	167,577
Head, Inc. inv #1-11, AIP 24	-	515,235
North/South perimeter fence - AIP 24	-	4,429
North/South perimeter fence - Non AIP	-	195,905
Phoenix Constr (SAC reimb) AIP 26 T/W E	-	244,628
FAA AIP 26 T/W E cables	-	1,735
J.M. Miles AIP 27 fire station inv #1-15	-	92,547
Wilbur Smith AIP 27 fire station	-	2,283
Ricondo & Assoc. PFC application	-	12,849
RC Constr inv #1-3 AIP 29 T/W C	-	47,020
Greiner (SAC reimb) AIP 29 T/W C	-	3,506
SAC reimb labor - AIP 29 T/W C	-	12,631
S & ME AIP29 R/W 18/36	-	181
RC Constr inv #1-7 AIP 29 R/W 18/36	-	102,619
Greiner (SAC reimb) AIP 29 R/W 18/36	-	6,695
AAAE (SAC reimb) AIP R/W 18/36 (ANTN)	-	484
SAC reimb-labor/testing AIP 29 R/W 18/36	-	2,742
Greiner AIP 30 GA TWY #3	-	6,222
S&ME AIP 30 GA TWY #3	-	11
Adel Steel AIP 30 GA TWY #3	-	50,000
R.B. Baker AIP 30 GA TWY #3 inv 1-8	-	49,026
SAC reimb-labor/admin AIP 30 GA TWY #3	-	1,625
TWY A-SAC reimb-labor	-	3,712
TWY A-AIP 30 - Greiner	-	16,777
TWY A-AIP 33 - URS Corp. (Greiner)	-	1,814
TWY A-AIP 33 - Triangle Inv #1-13	-	346,833

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the year ended December 31, 2014	Cumulative as of December 31, 2014
TWY A-AIP 33-S & ME	-	2,000
Sweeper	-	100,000
Airfield light control	-	229,540
Terminal Apron - AIP 33 - Triangle Inv #4-10	-	144,424
Terminal Apron - AIP 33-URS	-	652
Terminal Apron - AIP 33-S & ME	-	987
Terminal Apron - AIP 33-SAC reimb	-	64,839
Buildout gate 9 & 10-SAC reimb	-	532,393
GA TWY #2 Triangle inv#8-10	-	110,405
GA TWY#2 URS	-	2,390
GA TWY #2 - S&ME	-	1,180
GA TWY #2 - SAC reimb	-	178,382
Loading bridges (purchase 6 FMC)	-	829,960
Loading bridges FMC (reimb SAC)	-	1,003,162
Ricondo & Assoc. - PFC application #4 reimb SAC	-	25,972
T/W "F" AIP 34 - Shamrock	-	158,501
T/W "F" AIP 34 - URS	-	1,786
T/W "F" AIP 34 - S & ME	-	1,188
T/W "F" AIP 34 - reimb SAC	-	7,699
Air cargo apron AIP 34 - Shamrock	-	83,354
Air cargo apron AIP 34 - URS	-	595
Air cargo apron AIP 34 - S & ME	-	396
Air cargo apron AIP 34 - reimb SAC	-	1,905
PAPI AIP 34 - Shamrock	-	8,266
Ricondo & Assoc. - PFC Application #5 - reimb SAC	-	16,000
AAAE Interactive Training - reimb SAC (Appl. #5)	-	38,000
Fingerprint machine - reimb SAC (appl. #5)	-	2,272
So. Baggage carousel - reimb SAC (appl #5)	-	245,519
Valet bag lists - reimb SAC (appl #5)	-	237,714
Ammo bunker AIP 36 - Ogeechee River Mitigation	-	23,920
Ammo bunker AIP 36 - R.B. Baker	-	230,105
Ammo bunker AIP 36 - reimb. SAC	-	23,720
Ammo bunker AIP 36 - MACTEC	-	32
SW quad access road AIP 36 R.B. Baker	-	172,117
SW quad access road AIP 36 reimb SAC	-	32,210
SW quad access road AIP 36 - URS	-	990
Escalator #1A (appl #4)	-	148,818
Escalator #1A (appl #4) reimb SAC	-	4,227
Purchase/renovate loading bridges (appl #5)	-	909,988
Purchase/renovate loading bridges reimb SAC	-	26
Flight information display system (appl #5)	-	764,073
Design & construct GA taxiways (appl #5)	-	134,240
Relocate airfield lighting controls ATCT AIP 38 SAC reimb	-	10,988

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the year ended December 31, 2014	Cumulative as of December 31, 2014
General aviation connector taxiways (AIP 39+40) R.B. Baker	-	3,938
General aviation connector taxiways (AIP 39+40) URS	-	250
General aviation connector taxiways (AIP 39+40) SAC reimb.	-	70,950
Runway safety area impr (AIP 39)-R B Baker (appl #6)	-	703
Runway safety area impr (AIP 39)-SAC REIMB (appl. #6)	-	6,015
Airfield lighting impr - vault (phase 1& 2)-Baker (AIP 39&40)	-	692
Airfield lighting impr - vault (phase 1& 2) Choate (AIP 39 & 40)	-	8,100
Airfield lighting impr - vault (phase 1& 2) SAC reimb PFC Overpd Choate. (AIP 39 & 40)	-	(1,303)
Airfield lighting impr - vault (phase 1& 2) SAC reimb	-	188,180
Terminal expansion (AIP 40) Ruth & Dun.(appl #6)	-	3,825
Terminal expansion (AIP 40) - SAC reimb. (appl #6)	-	294,406
Terminal expansion (AIP 40) - Choate (appl #6)	-	926,095
Terminal expansion (AIP 40) - Griffin (appl #6)	-	1,037
Terminal expansion (AIP 40) - BMW Archite (appl #6)	-	718
Terminal expansion (AIP 40) - SAC reimb for BMW Archite (appl#6)	-	896
Terminal expansion (AIP 40) - URS (appl. #6)	-	25,631
Terminal expansion (AIP 40) - Bldg & Earth (appl #6)	-	2,728
Terminal expansion (AIP 40) - Alltel System Group (appl#6)	-	7,355
Terminal expansion (AIP 40) - skinner nurseries (appl #6)	-	350
Terminal expansion (AIP 40) home depot plants (appl #6)	-	464
Apron expansion (AIP 40) - SAC reimb (appl #6)	-	157,087
Apron expansion (AIP 40) - URS (appl #6)	-	1,619
Apron expansion (AIP 40) - RC constr (appl#6)	-	486,384
Loading bridges (6) and bag lifts (4) (appl #6) FMC	-	1,990,247
Loading bridges (6) and bag lifts (4) (appl #6) REIMB SAC	-	36,562
Replace ARFF bridge (AIP 39) - R.B. Baker (appl #6)	-	1,671
Replace ARFF bridge (AIP 39) SAC reimb. (appl #6)	-	14,649
Runway redesignation - URS	-	663
Runway redesignation - RC Construction	-	29,263
Runway redesignation - reimb SAC	-	36,160
Relocate runway 36 localizer - URS	-	543

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the year ended December 31, 2014	Cumulative as of December 31, 2014
Relocate runway 36 localizer - Aubrey Silvey	-	6,088
Relocate runway 36 localizer - SAC reimb	-	28,579
Security enhancements SAC reimb (appl #6)	-	72,915
Security enhancements Johnson (appl #6)	-	12,746
Security enhancements URS (appl #6)	-	204
PFC implementation and admin - SAC reimb (appl #6)	-	55,834
Taxiway E milling (AIP 40) Eagle Grooving (appl #6)	-	2,945
Taxiway E milling (AIP 40) URS (appl#6)	-	248
Taxiway E milling (AIP 40) SAC reimb (appl #6)	-	3,674
Rehabilitate runway shoulders RC Construction (appl #7)	-	40
Rehabilitate runway shoulders reimb SAC (appl #7)	-	21,685
Construct taxiway SW Quad reimb SAC (appl #7)	-	45,995
ALP update (appl #7) URS	-	155,419
ALP update (appl #7) reimb SAC URS	-	5,646
Taxiway B extension (appl. #7) URS	-	3,264
Taxiway B extension (appl. #7) Harbor	-	112,777
Taxiway B extension (appl. #7) SAC ck13511 reimb PFC fund - Harbor & reimb SAC	-	(6,822)
Taxiway B extension (appl. #7) reimb SAC	-	73,543
Taxiway C-2 (appl #7) Harbor	-	214,356
Harbor & reimb SAC	-	24,370
Update main communication system (appl #7) Motorola	-	223,703
PFC implementation and admin - SAC reimb (appl #7)	-	47,520
Pre cool 9 - jet bridges Misc City of SAV advertise	-	497
Pre cool 9 - jet bridges reimb SAC	-	105,752
Bio scrypt 15 board bridges doors Johnson Control	-	144,760
Bio scrypt 15 board bridges doors URS	-	3,154
Bio scrypt 15 board bridges doors - reimb SAC	-	4,742
Runway 18/36 extension reimb. SAC URS Design Cost	-	74,111
NAVAIDS - URS (appl #7)	-	30,464
NAVAIDS - FAA (appl #7)	-	201,921
NAVAIDS - reimb SAC (appl #7)	224,857	231,034
Airport Master Plan (PFC #7) - URS	1,536	51,292
Airport Master Plan (PFC #7) - reimb SAC	-	(20,042)
Asphalt Pavement replace - Runway 19/1 - reimb SAC (PFC #8)	-	69,379
Construct Taxiway A - reimb SAC (appl #8)	-	169,812
Rehabilitate T/W B2, North end of T/W B, T/W C, T/W E1 - reimb SAC (appl #8)	-	18,476

	For the year ended December 31, 2014	Cumulative as of December 31, 2014
GA Connector T/W Site Development North of Terminal RK Contracting	-	270,348
GA Connector T/W Site Development North of Terminal reimb SAC	4,929	162,354
GA Connector T/W Site Development North of Terminal - ECS	-	27
Terminal Walkways - reimb SAC- APP (#8)	-	26,820
Terminal Walkways - Miller - App (#8)	-	6,485
GA Taxiway 4 & 5 - reimb SAC (APP#8)	-	23,299
PFC appl #8 Implementation & Admin - reimb SAC	-	27,921
EA North Development - appl #8 - reimb SAC	-	18,982
Surface Painted Holding Position Signs - reimb SAC - appl #8	-	185,020
CCTV System Replacement - reimb SAC App (#8)	-	138,901
CCTV System Replacement - Coastal Digital	-	33
CCTV System Replacement - URS& I System Corp	-	861,066
PC Air Hose Upgrades - Twist In	-	186,480
PC Air Hose Upgrades - Twist In - reimb SAC	-	46,620
PA System Replacement - Alltel System GRP, INC.	-	278,002
Two Valet Bag Belts Systems - R.J. Design	-	61,000
AOA Survey - URS	-	62,500
Tree Removal R/W 10 Approach - reimb SAC	-	161,432
T/W A-NAD - McLendon/URS Constr	375,000	453,739
T/W H-NAD - McLendon/URS Constr	460,796	607,925
Gulfstream - McLendon/URS Constr	-	3,262
Elect Vault - McLendon/URS Constr	-	4,049
Site Mitigations (NAD)	51,742	60,000
PFC Implementation and Admin.- SAC reimb (appl #8 & 9)	-	41,118
Lighting 10/28 Runway	17,959	41,257
Terminal Curbside Canopy Expansion	1,407,899	1,407,899
Total expenditure	4,254,116	63,029,055
Excess loss	(566,092)	560,208
Beginning balance	1,126,300	-
Balance at December 31, 2014	\$ 560,208	\$ 560,208

Note - PFC reports to FAA are based on actual collections and do not include accounts receivable, such amounts collected in 2014 are \$3,688,025 and remaining collections unspent as of December 31, 2014 are \$560,208. The excess loss reported to FAA as of December 31, 2014 is \$(566,092).

**SAVANNAH
HILTON HEAD**
INTERNATIONAL 

SAVANNAH HILTON HEAD INTERNATIONAL

flySAV.com

