



**SAVANNAH[®]
HILTON HEAD**
INTERNATIONAL



SAVANNAH, GA

Comprehensive Annual Financial Report

YEARS ENDED
DECEMBER 31, 2018 & 2017



SAVANNAH AIRPORT COMMISSION

Comprehensive Annual Financial Report
Years Ended December 31, 2018 and 2017

Prepared By: Finance Department
Savannah, Georgia

Airport Website: www.savannahairport.com

Savannah Airport Commission

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Savannah Airport Commission

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Savannah Airport Commission

Introductory Section (Unaudited)

- Letter of Transmittal
- Air Service Map 2018
- Air Service Map 2017
- Principal Officials
- Organization Chart
- Certificate of Achievement for Excellence in Financial Reporting





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TO: Savannah Airport Commissioners
Airport Attorneys
DATE: June 27, 2019
SUBJ: Commission's Comprehensive Annual Financial Report

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, 2018. 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 accounting principles generally accepted in the United States of America (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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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 must 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.

flySAV.com

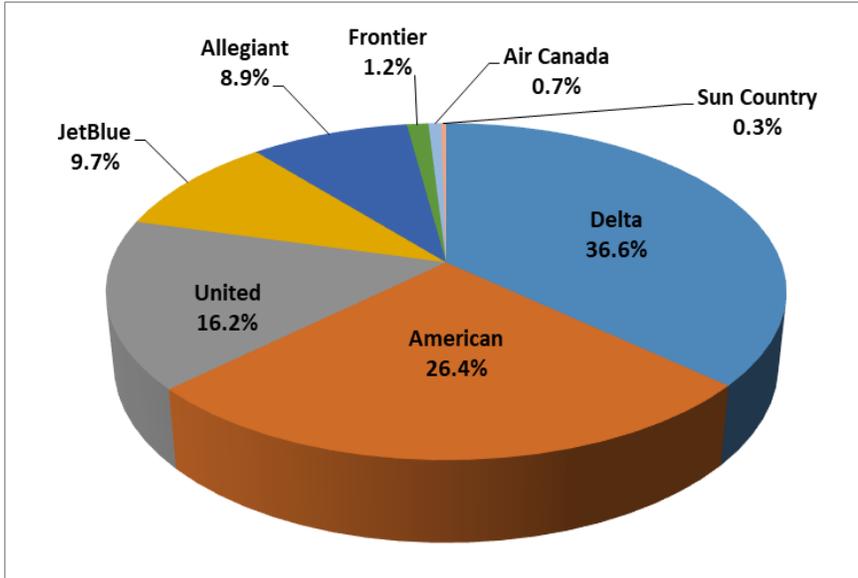
Description of Airport/Reporting Entity

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

Following the positive trend from 2017 growth, 2018 was another favorable year for the airline industry with demand continuing to increase. A 6.5% increase in demand for global passenger traffic was seen in 2018 over 2017, which is most likely the result of lower airfares, more routes being offered, and a stronger economy. This increase was slightly weaker than the increase of 7.6% from 2016 to 2017. The load factor for the global market also increased to a new record of 81.4%. The Savannah/Hilton Head International Airport once again saw another significant increase in available seats, total passengers and enplanements for 2018 vs. 2017. The airlines offered 1,768,310 seats in 2018 vs. the 1,501,797 offered in 2017, an increase of 17.7%. The load factor decreased slightly in 2018 compared to 2017, respectively at 78.8% and 81.7%. Total enplanements for 2018 were 1,395,040 vs. 1,229,083 for 2017, a significant increase of 13.5%. Total passengers for 2018 were 2,799,526 vs. 2,463,441 for 2017, also a significant increase of 13.6% compared to last year. On another positive note, the number of non-stop destinations increased to a total of 26 in 2018, which is an additional 3 destinations being offered over 2017. The airlines serving the Savannah/Hilton Head International Airport in 2018 included Delta, American, United, JetBlue, Allegiant, Air Canada, Frontier, and Sun Country.

The market share for the airlines serving the Airport in 2018 follows:



Delta Air Lines (Delta, Endeavor, Express Jet, GoJet, Republic, and Sky West) had a market share of 36.6% for the year, followed by **American Airlines** (American, Mesa, Envoy, Piedmont, PSA, Republic, and Trans States) with 26.4%; **United** (United, Air Wisconsin, CommutAir, Express Jet, GoJet, Mesa, Republic, Sky West, and Trans States) captured 16.2%; **JetBlue** took 9.7% of the market share; **Allegiant** held 8.9%; **Frontier** began service with 1.2%; **Air Canada** held 0.7%; **Sun Country** had the fewest enplanements with a market share of 0.3%.

The Savannah/Hilton Head International Airport has been diligently working to attract new airlines, add new destinations and more flights to existing destinations, and also lower fares to increase passenger traffic and continue the growth of the airport. As of December 31, 2018, enplanements were well above 2017, with a significant increase of 13.5% and available seats were up with an increase of 17.8% over 2017. Breaking the record set in 2017, 2018 set a new all-time high for enplanements, with a final total of 1,395,040 enplanements. The previous enplanement record set in 2017 reflected total enplanements ending at 1,229,083. Our budgeted 2019 enplanements project an increase of 5.4% over 2018. Our first quarter 2019 enplanement results already show a substantial increase of 13.8% over the first quarter of 2018. This is most likely a result of the continued effect of additional air carriers serving the airport, additional routes being offered, and lower airfares. Based on our first quarter 2019 load factor of 78.0% and our first quarter enplanements already ending ahead of target, we expect to see yet another significant increase in enplanements over the previous year and surpass the 2019 budgeted enplanement number of 1,470,000 enplanements.

Airport Highlights

First Quarter:

- **The Salt Table opens a new location in the concourse**
- **Winter Storm Grayson brings 2.5” of snow to Savannah**
- **SAV launches a new website**
- **The newly renovated Starbucks opens in Savannah Square**
- **HMS Host holds Southbound Taphouse ribbon cutting ceremony**
- **Flight Fountain goes green for St. Patrick’s Day**

Second Quarter:

- **SAV holds groundbreaking ceremony for new FIS Facility**
- **SAV receives \$4.6M facility modification grant from TSA for screening and baggage handling improvements**
- **New car wash opens at Thrifty rental car facility**
- **Demolition of old terminal building completed**
- **Frontier launches non-stop service to Philadelphia and Denver**
- **American Airlines launches non-stop service to Miami**
- **Allegiant launches non-stop service to Nashville**

Third Quarter:

- **Domicile and cell phone parking lot expansions**
- **SAV welcomes new Airport Police Chief Sedrick Rivers**
- **TSA holds Precheck Enrollment Event**

Fourth Quarter:

- **SAV receives \$7.6M FAA Grant for terminal apron expansion**
- **SAV hosts 2018 Allegiant Airlines Airports Conference**
- **SAV hosts 1st Annual State of the Airport Luncheon**
- **SAV approves new 401A employee retirement plan**
- **Park Assist Automated Parking Guidance System installation complete**
- **Team SAV volunteers at Water Station #3 at Rock ’n Roll Marathon**
- **Snowball Express departs from Savannah/Hilton Head International**
- **SAV sends seven service members Home for the Holidays**

Major Initiatives

The AIP-59 Entitlement Grant was awarded on September 6, 2017 in the amount of \$2,125,135 of entitlement funds. The entitlement funds from the AIP-59 grant have been designated to fund the capital expenditures incurred as a result of the construction of the Federal Inspection Services Facility. The FIS Facility project is expected to be completed during the third quarter of 2019 and grant closeout documentation is expected to be submitted during the third quarter of 2019.

The AIP-60 Entitlement Grant was awarded on July 18, 2018 in the amount of \$4,086,265 of entitlement funds. The entitlement funds from the AIP-60 grant have been designated to fund the capital expenditures incurred as a result of the construction of the Federal Inspection Services Facility. The FIS Facility project is expected to be completed during the third quarter of 2019 and grant closeout documentation is expected to be submitted during the third quarter of 2019.

The AIP-61 Supplemental Discretionary Grant was awarded on September 21, 2018 in the amount of \$7,642,751. The supplemental discretionary funds from the AIP-61 grant have been designated to fund the capital expenditures incurred as a result of the expansion of the terminal apron. The terminal apron expansion is expected to be completed in the third quarter of 2019 and the grant closeout documentation is expected to be submitted during the fourth quarter of 2019.

A schedule of the AIP projects that were open as of 12/31/18 follows:

	PROJECTED COST	FAA GRANTS	PFC FUNDING	STATE FUNDING	AIRPORT FUNDING
Construct Federal Inspection Services Facility	\$14,748,944	\$10,724,967	\$885,559	\$243,720	\$2,894,698
Expand Terminal Apron	\$8,491,946	\$7,642,751	\$439,055	\$410,140	-
Total Cost	\$23,240,890	\$18,367,718	\$1,324,614	\$653,860	\$2,894,698

The costs detailed above include total projected costs, and the construction contract commitments (Note 8) in the auditor's report are authorized contractor project costs through December 31, 2018.

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. This agreement was renewed effective January 1, 2015 for another five-year term.

Airline Rates	2015	2016	2017	2018	2019
Terminal	\$53.50	\$54.50	\$55.50	\$56.50	\$57.50
Landing Fee	\$2.70	\$2.80	\$2.90	\$3.00	\$3.10
Apron Fee	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Fuel Flowage Fee	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025

- 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 2018 – 2022 totaling \$159 million. The plan consists of \$102 million for airside projects, \$49 million for terminal improvements, and \$8 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 entitlement and discretionary funds, State funds, Passenger Facility Charge funds, 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 2018, or scheduled for completion in 2019, have their projected additional operating costs and related revenues incorporated into the Commission's 2019 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 2019 budget, our enplanements are projected to increase from 2018 by 5.4%. Rent A Car, Gift Shop, Food & Beverage, Auto Parking, and Ground Transportation revenues are all expected to increase in 2019 again as a result of the projected increase in passenger traffic from the anticipated additional enplanements. Our projected operating expenses are expected to increase by 11.7%. The above average increase in operating expenses is mainly due to an increase in expenditures on facilities projects projected for 2019, Marketing & Air Service Initiatives used to attract new airlines and also to entice current airlines to offer new routes, rising labor expenses resulting from cost of living adjustments, merit increases, promotions, new positions, and also the rising cost of employee benefit programs. While our operating expenses are increasing, we still expect to see an increase in our net income resulting from the additional revenues we expect to see in 2019.

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.

Other Information

Technological Advances:

In 2018, the airport upgraded all of the digital signage in the Baggage Claim to enhance passenger experience in the bag claim area. Older scrolling displays over the carousels were replaced with 55” monitors that display more information than previously available to make it easier for passengers to find their correct bag claim area. Advertising signage was also replaced from static to digital displays to allow for more current and interesting information for incoming passengers.

In 2018, the airport increased the operating efficiency of the data center by upgrading multiple pieces of equipment. A new Barracuda backup unit was installed that doubled the backup capacity to keep up with the increased data creation of the airport. New SG550XG 24 port cisco data center switches were put in to handle increased traffic from multiple devices and maximize the port usage of the core switches. Two new Watchguard Firebox M470 firewalls were put in to provide high availability firewall protection as well as increased bandwidth throughput.

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 and Co., LLP, was selected to perform the audit. The audit was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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

SAV’s Pack Your Bags campaign was a 2018 MarCom Platinum Winner.

The Savannah/Hilton Head International Airport was named one of the Top 10 Best Domestic Airports in the Travel & Leisure World’s Best Awards 2018.

SAV’s 2017 Annual Report was a 2018 MarCom Gold Winner and also a 2017 ACI-NA First Place Award for Excellence in Marketing, Communications and Customer Service.

Savannah/Hilton Head International Airport’s website, flysav.com, was presented a 2018 Gold Winner Award by AVA Digital Awards and also a 2018 Rose Gold Award by Muse Creative Awards.

SAV’s Employee Portraits were awarded 2018 Gold Winner status by MarCom.

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, 2017. This was the twentieth 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 accounting principles generally accepted in the United States of America 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 provide for its day to day operating expenses 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**

A dark blue silhouette of a commercial airplane, viewed from a top-down perspective, positioned below the word "INTERNATIONAL". The airplane is centered horizontally under the text.

Airlines Serving the Savannah/Hilton Head International Airport

2018 Flight List



1 daily nonstop departure to
TORONTO YYZ



3-4 weekly nonstop departures to
BALTIMORE BWI

3-7 weekly nonstop departures to
CINCINNATI CVG

2-4 weekly nonstop departures to
CLEVELAND CLE

2-4 weekly nonstop departures to
COLUMBUS LCK

2-3 weekly nonstop departures to
INDIANAPOLIS IND

2 weekly nonstop departures to
LEXINGTON LEX

2 weekly nonstop departures to
LOUISVILLE SDF

2 weekly nonstop departures to
NASHVILLE BNA

2-3 weekly nonstop departures to
NEWARK EWR

2-3 weekly nonstop departures to
PITTSBURGH PIT



9 daily nonstop departures to
CHARLOTTE CLT

2 daily nonstop departures to
DALLAS DFW

2 weekend nonstop departures to
NEW YORK LGA

1 daily nonstop departure to
MIAMI MIA

2 weekday nonstop departures to
PHILADELPHIA PHL

2 daily nonstop to
WASHINGTON REAGAN DCA



11 daily nonstop departures to
ATLANTA ATL

1 Saturday nonstop departure to
BOSTON BOS

1 daily nonstop departure to
DETROIT DTW

2 daily nonstop departure to
NEW YORK JFK

3 daily nonstop departures to
NEW YORK LGA

1 weekly nonstop departure to
MINNEAPOLIS MSP



2 weekly nonstop departures to
DENVER DEN

2 weekly nonstop departures to
PHILADELPHIA PHL



1-2 daily nonstop departure to
BOSTON BOS

2 daily nonstop departures to
NEW YORK JFK



Weekly nonstop departures to
MINNEAPOLIS MSP



3 daily nonstop departures to
CHICAGO O'HARE ORD

2 daily nonstop departures to
HOUSTON IAH

3 daily nonstop departures to
NEWARK EWR

3 daily nonstop departures to
WASHINGTON IAD

2017 AIRLINES & NONSTOP DESTINATIONS



AIR CANADA 

TORONTO YYZ
1 daily nonstop departure



BALTIMORE BWI
3-4 weekly nonstop departures

CINCINNATI CVG
3-7 weekly nonstop departures

CLEVELAND CLE
2-4 weekly nonstop departures

COLUMBUS LCK
2-4 weekly nonstop departures

INDIANAPOLIS IND
2-3 weekly nonstop departures

LEXINGTON LEX
2-3 weekly nonstop departures

LOUISVILLE SDF
2-3 weekly nonstop departures

NEWARK EWR
2-3 weekly nonstop departures

PITTSBURGH PIT
2-3 weekly nonstop departures

American Airlines 

CHARLOTTE CLT
9 daily nonstop departures

DALLAS DFW
2 daily nonstop departures

PHILADELPHIA PHL
2 weekday nonstop departures

WASHINGTON/REAGAN DCA
2 daily nonstop departures

 **DELTA**

ATLANTA ATL
10 daily nonstop departures

BOSTON BOS
1 Saturday nonstop departures

DETROIT DTW
1 daily nonstop departure

MINNEAPOLIS MSP
1 weekly nonstop departure

NEW YORK JFK
2 daily nonstop departures

NEW YORK LGA
3 daily nonstop departures

jetBlue

BOSTON BOS
1-2 daily nonstop departures

NEW YORK JFK
2 daily nonstop departures

 **sun country airlines**

MINNEAPOLIS MSP
Weekly nonstop departures

UNITED 

CHICAGO O'HARE ORD
4 daily nonstop departures

HOUSTON IAH
2 daily nonstop departures

NEWARK EWR
3 daily nonstop departures

WASHINGTON IAD
3 daily nonstop departures

*Flight List Dated December 18, 2017.



Principal Officials 2018

Appointed Officials

Commissioners

Stephen S. Green, Chairman
Shirley B. James, Vice-Chairman
Ted Kleisner
Randy Houston
Lowell Kronowitz

Other Officials

Executive Director

Gregory B. Kelly, AAE

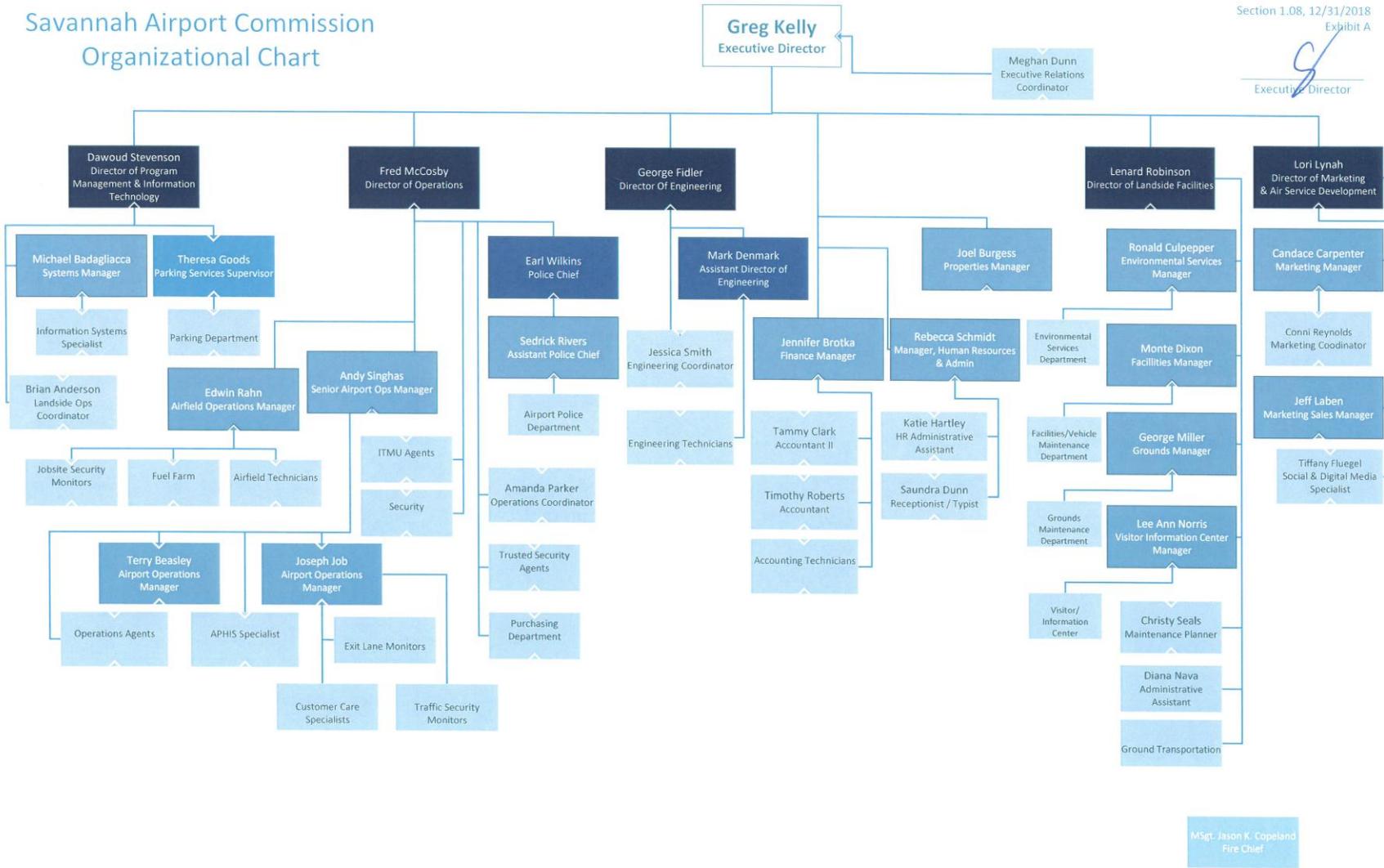
Commission Attorneys

Brooks Stillwell
Wiseman Blackburn, LLC

Savannah Airport Commission Organizational Chart

Section 1.08, 12/31/2018
Exhibit A

G
Executive Director





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, 2017

Christopher P. Morill

Executive Director/CEO

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





Independent Auditor's Report

The Commissioners
Savannah Airport Commission
Savannah, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the Savannah Airport Commission (the Commission), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the 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.

B-1

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of December 31, 2018 and 2017, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the 2017 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages C1 through C14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's financial statements. The introductory section, supplementary information, statistical section, and the Schedule of Expenditures of Federal Awards, required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplemental information 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019 on our consideration of the 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 effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully submitted,

Hancock Asken & Co., LLP

Savannah, Georgia
June 27, 2019

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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, 2018. 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 Federal and State grants, Passenger Facility Charges (“PFC”), Customer Facility Charges (“CFC”), and net remaining revenues.

AIRPORT ACTIVITIES & HIGHLIGHTS

The Savannah/Hilton Head International Airport entered 2018 with economic aviation conditions continuing to increase in several areas compared to 2017. Total airline activities during the past three years are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Enplanements - Scheduled and Non-Scheduled	1,395,040	1,229,083	1,089,222
% increase/decrease	13.5%	12.8%	7.1%
Aircraft Operations - All Types	96,823	94,827	92,680
% increase/decrease	2.1%	2.3%	4.5%
Landed Weight - Scheduled and Non-Scheduled	1,761,247	1,513,683	1,348,534
% increase/decrease	16.4%	12.2%	9.1%
Mail/Express/Freight Cargo (Tons)	9,262	9,002	8,182
% increase/decrease	2.9%	10.0%	6.7%
Airline Available Seats	1,768,310	1,501,797	1,333,669
% increase/decrease	17.7%	12.6%	9.8%

Two major factors affect airport revenues: operations, which generate landed weight fee revenues plus usage charges for apron; and enplanements, which generate concession, parking, rental car, and other ground transportation revenues. While aircraft operations increased by 2.1% from 2017, there were several other factors that also contributed to the increase in activities during 2018. Total enplanements were up 13.5% and airline available seats were up 17.7%. The number of non-stop destinations increased by 3 in 2018 when compared to 2017, providing service to and from 26 non-stop destinations for passengers. Landing weights increased by 16.4%, alongside an increase in total cargo of 2.9% over 2017.

STATEMENT OF NET POSITION

The Statement of Net Position 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 position 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, 2018, 2017 and 2016 follows:

	2018	2017	2016
Current assets			
Current assets	\$54,823,654	\$42,797,588	\$41,461,733
Current restricted assets	10,957,693	3,406,924	3,349,869
Non-current assets			
Capital assets, net	161,956,390	160,040,146	159,208,931
Other non-current assets	528,391	3,628,093	689,616
Long-term investments	19,348,000	24,068,000	21,173,000
Total assets	\$247,614,128	\$233,940,751	\$225,883,149
Deferred outflows of resources	\$1,036,720	\$1,036,720	\$1,293,263
Liabilities			
Current liabilities	\$5,567,701	\$3,785,676	\$5,083,087
Non-current liabilities			
Long-term debt outstanding	-	-	-
Net pension/OPEB liability	11,300,617	11,300,617	13,442,879
Total liabilities	\$16,868,318	\$15,086,293	\$18,525,966
Deferred inflows of resources	\$1,886,086	\$1,886,086	\$842,936
Net position			
Net investment in capital assets	\$161,956,390	\$160,040,146	\$159,208,931
Restricted	10,957,693	3,406,924	3,349,869
Unrestricted	56,982,361	54,558,021	45,248,710
Total net position	\$229,896,444	\$218,005,091	\$207,807,510

The Commission's financial position remained strong through December 31, 2018 with total assets and deferred outflows of resources of \$248.7 million and total liabilities and deferred inflows of resources of \$18.8 million. Current assets increased by \$19.6 million while total assets and deferred outflows of resources increased by \$13.7 million.

Total net position, which represents the residual interest in the Commission's assets after liabilities are deducted, is \$229.9 million at December 31, 2018, an increase of \$11.9 million from 2017. As reflected in the above chart, the net investment in capital assets increased by \$1.9 million to \$162.0 million. The restricted and unrestricted remaining net assets are derived from the Commission's operations, customer facilities charges, general aviation funding, federal and state grants, and passenger facilities charge collections. The 2018 restricted assets of \$11.0 million are subject to internal and external restrictions on how they may be used. The remaining unrestricted current assets of \$54.8 million may be used to meet any of the Commission's ongoing operations, subject to approval by the Commission's Board.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The Commission elected to use actuarial reports with the measurement date of the December 31, 2017 for both post-employment pension benefits and post-employment healthcare benefits other than pensions (OPEB). The change in measurement date did not create a change in annual OPEB cost and no change in deferred outflows and deferred inflows of resources for the pension. This change in measurement allows the Commission to report in a timely manner for the current period and all subsequent periods.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2018</u>	<u>2017*</u>	<u>2016</u>
Operating revenues			
Airfield	\$ 5,703,136	\$ 4,741,605	\$ 4,092,314
Terminal One	15,248,112	14,097,691	13,225,485
Airport Business Center	-	5,000	4,200
Commercial Aviation	2,406,820	2,342,588	2,239,342
Apron	71,773	70,879	59,651
Parking	8,534,367	7,704,652	7,023,629
Non-Aviation	3,336,134	3,028,981	3,241,826
Total operating revenues	<u>35,300,342</u>	<u>31,991,396</u>	<u>29,886,447</u>
Operating expenses			
Airfield	(2,162,008)	(2,219,609)	(2,332,494)
Terminal One	(11,463,914)	(10,654,133)	(10,696,443)
Airport Business Center	(113,294)	(74,964)	(63,253)
Commercial Aviation	(165,349)	(149,683)	(258,360)
Apron	(3,969)	(7,121)	(14,664)
Parking	(1,653,726)	(1,453,209)	(1,535,639)
Non-Aviation	(1,144,642)	(1,079,432)	(1,167,691)
Administration	(8,566,816)	(7,373,924)	(7,221,902)
Total operating expenses	<u>(25,273,718)</u>	<u>(23,012,075)</u>	<u>(23,290,446)</u>
Excess before depreciation and other non-operating income and expenses	<u>10,026,624</u>	<u>8,979,321</u>	<u>6,596,001</u>
Depreciation	<u>(12,703,635)</u>	<u>(11,878,166)</u>	<u>(11,329,228)</u>
Loss before other non-operating income and expenses	<u>(2,677,011)</u>	<u>(2,898,845)</u>	<u>(4,733,227)</u>
Other non-operating income net	<u>9,145,002</u>	<u>6,426,979</u>	<u>5,583,905</u>
Income before Capital contributions	<u>6,467,991</u>	<u>3,528,134</u>	<u>850,678</u>
Capital contributions	<u>5,423,362</u>	<u>5,686,825</u>	<u>859,175</u>
Increase in net position	<u>11,891,353</u>	<u>9,214,959</u>	<u>1,709,853</u>
Total net position, beginning of year	<u>218,005,091</u>	<u>208,790,132</u> *	<u>206,097,657</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, end of year	<u>\$ 229,896,444</u>	<u>\$ 218,005,091</u>	<u>\$ 207,807,510</u>

*2017 has been restated, see notes to financial statements.

SUMMARY OF OPERATIONS HIGHLIGHTS

Total passenger traffic (enplaned + deplaned) increased significantly in 2018. In 2018, a total of 2.8 million passengers passed through the Airport, versus 2.5 million passengers in 2017 and 2.2 million passengers in 2016. Financially, the year was very favorable once again as well. The Airport was able to end the year 2018 with an increase in net position of \$11.9 million, versus an increase of \$9.2 million in 2017. Capital Contributions increased from \$0.9 million in 2016 to \$5.7 million in 2017, but slightly decreased to \$5.4 million in 2018. However, the decrease does not mean that the Commission was awarded a decrease in funding. Instead, the decrease was caused by the timing of the expenditures on federally funded projects. The Commission expects to show an increase in capital contributions again in 2019.

Significant items affecting the Summary of Revenue, Expenses and Changes in Net Position for 2018 follows:

- Following an increase from 2016 to 2017 of \$2.1 million, operating revenues increased 10.3%, or \$3.3 million, from \$32.0 million in 2017 to \$35.3 million in 2018 primarily due to the following:
 - In the Airfield cost center, revenues increased by \$961,531 or 20.3% over 2017, which is very similar to the growth from 2016 to 2017 of \$649,291 or 15.9%. This revenue growth is mainly attributable to the increase in air traffic at the Savannah Airport, which drives revenues collected from landing fees. An additional, small contributor to the revenue increase was the annual landing fee rate increase. Landing fees increased from \$2.90 per 1,000 pounds to \$3.00 per 1,000 pounds, which equates to a 3.4% increase.
 - The Terminal cost center experienced an increase in revenues of \$1,150,421 or 8.2% over 2017. This revenue growth is also very similar to the growth from 2016 to 2017 of \$872,206 or 6.6%. About 2% of this growth is a result of the airline SF rates increasing from \$55.50 per SF to \$56.50 per SF. The remaining growth is most likely due to the rise in enplanements which results in increased revenues in concessions and ground transportation.
 - In the Parking cost center, revenues increased by \$829,715 or 10.8% in 2018, which is greater than the increase we saw in 2017 which had an increase of \$681,023 or 9.7% over 2016. We believe that the continuous increase in parking revenues is directly correlated to the increase in enplanements.
 - In the Non-Aviation cost center, revenues increased by \$307,153 or 10.1% over 2017. This growth is a result of the additional passengers traveling through the airport and also the growth of the surrounding area.

- **Less favorable than the 1.2% decrease of \$0.3 million from 2016 to 2017, operating expenses (less depreciation) increased by 9.8%, or \$2.3 million, from \$23.0 million in 2017 to \$25.3 million in 2018 due primarily to the following:**
 - **In the Administration cost center, expenses increased by \$1,192,892 or 16.2%**
 - **In the Terminal cost center, expenses increased by \$809,781 or 7.6%**
 - **In the Parking cost center, expenses increased by \$200,517 or 13.8%**
 - **In the Non-Aviation cost center, expenses increased by \$65,210 or 6.0%**
- **The net result of the above was an operating gain before depreciation increased by \$1.0 million for 2018 as compared to 2017 which is slightly less favorable than 2017 vs 2016 in which the Savannah Airport Commission saw an operating gain before depreciation increase of \$2.4 million.**
- **Non-operating income increased 42.3% or \$2.7 million from a total of \$6.4 million in 2017 to \$9.1 million in 2018 and therefore experienced a substantial increase. The largest factor resulting in the increase was a change in the amount we collect for the CFC. The charge increased from \$3.00 per car rental to \$3.00 per day rented to pay for several large upcoming RAC projects. Another factor resulting in the increase in non-operating income was the increase in enplanements, which led to an increase in PFC revenue. Interest revenue also grew as a result of an increase in investments and also more favorable interest rates.**
- **In 2018, the Airport's capital contributions received were in the form of grants from the Federal and State governments totaling \$5.4 million. This was a decrease of \$0.3 million from the capital contributions received in 2017. This decrease resulted from the timing of expenditures on capital projects that received funding awards in 2017 and 2018. The capital contributions are expected to show an increase in 2019.**

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>2018</u>	<u>2017</u>	<u>2016</u>
Airline Landing Fees	\$ 5,007,212	\$ 4,097,411	\$3,503,681
Airline Terminal Rentals	6,320,199	5,891,784	5,774,130
Airline Apron Fees	<u>71,772</u>	<u>70,879</u>	<u>59,650</u>
Total Airline Revenues	\$ 11,399,183	\$ 10,060,074	\$9,337,461
Total Enplanements	1,395,040	1,229,083	1,089,222
Cost per Enplanement (rev.÷ enp.)	\$ 8.17	\$ 8.19	\$ 8.57
% Increase/Decrease	-0.2%	-4.5%	5.7%

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>
2018	\$8.17	\$9.19	\$8.95	\$8.50
2017	\$8.19	\$9.51	\$8.53	\$8.16
2016	\$8.57	\$9.23	\$8.50	\$6.78

* Terminal cost only, Airfield operated by the US Airforce.

AIRLINE PRIMARY 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.

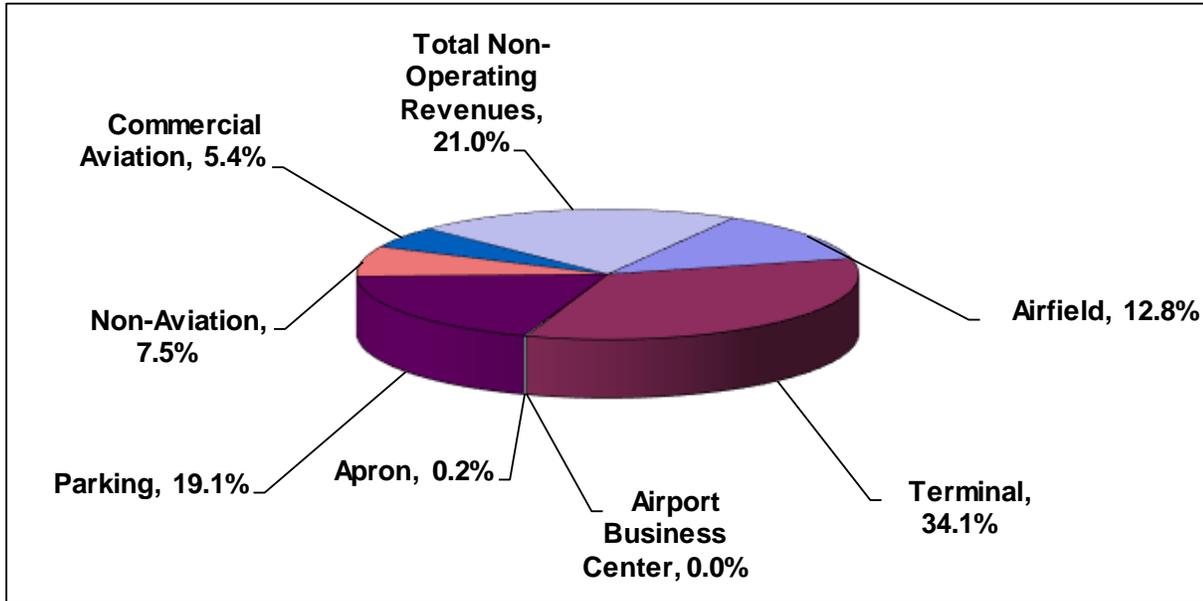
In addition, with the enplanements of fiscal year 2009 as the base, if the total annual enplanements at any time during contract term increase or decrease by twenty-five (25%) percent or more, either the Airlines or the Airport may request a renegotiation of the rates. This new agreement was renewed for another five-year term, effective January 1, 2015.

A comparison of actual rates and charges for primary and affiliated airlines follows:

	<u>2018</u>		<u>2017</u>		<u>2016</u>	
Landing Fees (Per 1,000 lbs. Maximum Gross Landing Weight)	\$	3.00 Jan-Dec	\$	2.90 Jan-Dec	\$	2.80 Jan-Dec
Terminal Rental Rates (Per square foot)	\$	56.50 Jan-Dec	\$	55.50 Jan-Dec	\$	54.50 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, 2018:

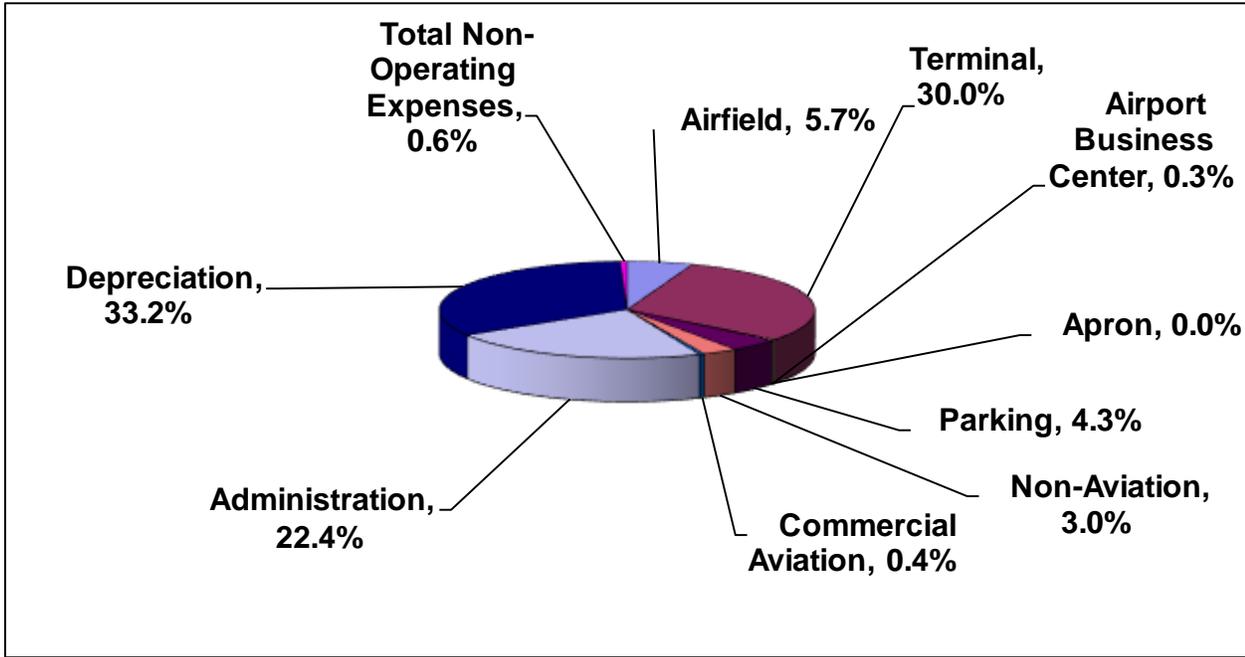


A summary of revenues for the year ended December 31, 2018, and the amounts and percentage of total in relation to prior year's amount's follow:

	<u>2018</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2016</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	\$ 5,703,136	12.8%	\$ 4,741,605	12.3%	\$ 4,092,314	11.5%
Terminal	\$ 15,248,112	34.1%	\$ 14,097,691	36.5%	\$ 13,225,485	37.1%
Airport Business Center	\$ -	0.0%	\$ 5,000	0.0%	\$ 4,200	0.0%
Apron	\$ 71,773	0.2%	\$ 70,879	0.2%	\$ 59,651	0.2%
Parking	\$ 8,534,367	19.1%	\$ 7,704,652	20.0%	\$ 7,023,629	19.7%
Non-Aviation	\$ 3,336,134	7.5%	\$ 3,028,981	7.8%	\$ 3,241,826	9.1%
Commercial Aviation	\$ 2,406,820	5.4%	\$ 2,342,588	6.1%	\$ 2,239,342	6.3%
Total Operating Revenues	\$ 35,300,342	79.0%	\$ 31,991,396	82.9%	\$ 29,886,447	83.9%
Non-Operating Revenue						
Passenger Facility Charges	\$ 5,549,069	12.4%	\$ 4,863,617	12.6%	\$ 4,208,795	11.8%
Customer Facility Charges	\$ 2,613,350	5.8%	\$ 732,738	1.9%	\$ 694,209	1.9%
General Aviation Fund Charges	\$ 89,080	0.2%	\$ 100,030	0.3%	\$ 88,364	0.2%
Savannah Aviation Village Charges	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Interest Revenue	\$ 1,127,197	2.5%	\$ 903,020	2.3%	\$ 499,415	1.4%
Bond Premium Amortization	\$ -	0.0%	\$ -	0.0%	\$ 136,380	0.4%
Gain on Bond Refunding	\$ -	0.0%	\$ 6,401	0.0%	\$ -	0.0%
Gain on Disposal of Assets	\$ -	0.0%	\$ -	0.0%	\$ 59,481	0.2%
Increase in the Fair Value Investment	\$ -	0.0%	\$ -	0.0%	\$ 51,447	0.1%
Total Non-Operating Revenues	\$ 9,378,696	21.0%	\$ 6,605,806	17.1%	\$ 5,738,091	16.1%
TOTAL REVENUES	\$ 44,679,038	100.0%	\$ 38,597,202	100.0%	\$ 35,624,538	100.0%

EXPENSES

The following chart shows the major cost centers and the percentage of total expenses for the year ended December 31, 2018:



A summary of expenses for the year ended December 31, 2018, and the amounts and percentage of total in relation to prior year's amount's follow:

	<u>2018</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2016</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	\$ 2,162,008	5.7%	\$ 2,219,609	6.3%	\$ 2,332,494	6.7%
Terminal	\$ 11,463,914	30.0%	\$ 10,654,133	30.4%	\$ 10,696,443	30.9%
Airport Business Center	\$ 113,294	0.3%	\$ 74,964	0.2%	\$ 63,253	0.2%
Apron	\$ 3,969	0.0%	\$ 7,121	0.0%	\$ 14,664	0.0%
Parking	\$ 1,653,726	4.3%	\$ 1,453,209	4.1%	\$ 1,535,639	4.4%
Non-Aviation	\$ 1,144,642	3.0%	\$ 1,079,432	3.1%	\$ 1,167,691	3.4%
Commercial Aviation	\$ 165,349	0.4%	\$ 149,683	0.4%	\$ 258,360	0.7%
Administration	\$ 8,566,816	22.4%	\$ 7,373,924	21.0%	\$ 7,221,902	20.9%
Total Operating Expenses	\$ 25,273,718	66.1%	\$ 23,012,076	65.6%	\$ 23,290,447	67.0%
Depreciation						
Depreciation	\$ 12,703,635	33.2%	\$ 11,878,166	33.9%	\$ 11,329,228	32.6%
Non-Operating Expenses						
Interest Expense	\$ -	0.0%	\$ -	0.0%	\$ 125,349	0.4%
Loss on Bond Refunding	\$ -	0.0%	\$ -	0.0%	\$ 28,837	0.1%
Loss on Disposal of Assets	\$ 100,973	0.3%	\$ -	0.0%	\$ -	0.0%
Dec. in the Fair Value Investments	\$ 132,721	0.3%	\$ 178,827	0.5%	\$ -	0.0%
Total Non-Operating Expenses	\$ 233,694	0.6%	\$ 178,827	0.5%	\$ 154,186	0.4%
TOTAL EXPENSES	\$ 38,211,047	100.0%	\$ 35,069,069	100.0%	\$ 34,773,861	100.0%

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>2018</u>	<u>2017</u>	<u>2016</u>
Cash flows from			
Operating activities	\$ 10,910,619	\$ 6,523,727	\$ 10,079,802
Investing activities	(7,438,659)	(11,117,660)	1,452,950
Capital & related financing activities	(919,127)	(337,148)	(6,916,678)
Net increase (decrease) in cash and cash equivalents	2,552,833	(4,931,081)	4,616,074
Cash and cash equivalents			
Beginning of year	<u>9,275,212</u>	<u>14,206,293</u>	<u>9,590,219</u>
End of year	<u><u>\$ 11,828,045</u></u>	<u><u>\$ 9,275,212</u></u>	<u><u>\$ 14,206,293</u></u>

The Savannah Airport Commission's available cash and cash equivalents increased from \$9.3 million at the end of 2017 to \$11.8 million, a \$2.6 million increase at the end of 2018.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Funds from various sources (AIP, PFC, CFC, State and Airport revenues) totaling \$12.2 million were expended during 2018 on capital activities which have not been closed out of construction-in-progress as follows:

Jumbo GA FIS Facility	\$7.95	million
Baggage Handling System Phase II - TSA Co-Op	\$1.49	million
Terminal Gate/Security Checkpoint Expansion	\$0.88	million
Hotel Site Development	\$0.65	million
Parking Guidance System Replacement	\$0.53	million
FIDS Upgrades	\$0.17	million
Rental Car Ready Lot Improvements	\$0.14	million
Wood Stork Habitat Modification	\$0.12	million
Apron Expansion	\$0.11	million
Replace Remaining FTU in Terminal	\$0.06	million
SEQ Drainage Study	\$0.05	million
Miscellaneous Projects	\$0.03	million
Total	\$12.18	million

During 2018, funds were expended in the amount of \$0.8 million on projects that were closed from construction-in-progress to their respective capital accounts throughout the year while another \$9.3 million in equipment was capitalized.

Expand Domicile Lot	\$0.33	million
Thrifty Carwash Installation	\$0.16	million
Terminal Door Replacements	\$0.13	million
In/Sync Traffic Control	\$0.09	million
AHU Fan Wall Upgrade	\$0.05	million
City Works	\$0.04	million
In-Line Baggage System	\$0.02	million
Miscellaneous Projects	\$0.02	million
Total	\$0.84	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 decreased 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 condense total expenses by \$1.1 million.

On December 12, 2016, the final bond payment of \$2,907,675 was signed and mailed. This final payment cleared all remaining liabilities owed by the Commission on their bonds.

FINANCIAL STATEMENTS SUMMARY

The Commission’s financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (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

The Savannah/Hilton Head International Airport experienced yet another significant increase in passenger traffic and enplanement growth from 2017 to 2018. Our budgeted 2019 passenger traffic also shows an additional increase in enplanements of 5.4% over 2018.

Our first quarter 2019 passenger traffic results have already increased by 13.8% compared to the first quarter of 2018. This is most likely a result of the continued effect of additional air carriers serving the airport, additional routes being offered, and lower airfares. Based on our first quarter 2019 load factor of 78.0% and our first quarter enplanements already ending ahead of budget, we

hope to see yet another substantial increase in enplanements over the previous year and most likely surpassing the 2019 budgeted enplanement number of 1,470,000 enplanements.

Although external economic influences could always 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 2018 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@flysav.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>	2018	2017 (restated)
ASSETS		
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 1,555,722	\$ 6,452,021
Short-term investments	49,156,522	32,941,237
Accounts receivable	3,406,433	2,620,054
Inventories	346,822	348,079
Prepaid expenses and other	233,204	223,937
Leases receivable - current portion	82,931	208,260
Deposits	42,020	4,000
Total current unrestricted assets	54,823,654	42,797,588
Restricted assets		
Cash and cash equivalents	10,270,319	2,823,191
Accounts receivable	687,374	583,733
Total current restricted assets	10,957,693	3,406,924
Total current assets	65,781,347	46,204,512
Non-current assets		
Capital assets		
Land	10,669,398	10,669,398
Construction in progress	14,233,070	10,183,355
Buildings and improvements	157,320,094	162,255,071
Runways, taxiways and lights	114,108,019	114,108,019
Equipment	32,040,521	23,149,952
Access roads	25,222,775	24,897,325
	353,593,877	345,263,120
Less accumulated depreciation	191,637,487	185,222,975
Total capital assets, net	161,956,390	160,040,145
Leases receivable, net of current portion	528,391	3,628,093
Long-term investments	19,348,000	24,068,000
Total non-current assets	181,832,781	187,736,238
Deferred outflows of resources		
Net difference between projected and actual earnings on pension	1,036,720	1,036,720
Total deferred outflows of resources	1,036,720	1,036,720
Total assets and deferred outflows of resources	\$ 248,650,848	\$ 234,977,470

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

Savannah Airport Commission

Statements of Net Position (cont.)

<i>December 31,</i>	2018	2017 (restated)
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,110,701	\$ 919,921
Security deposits	99,545	87,125
Salaries and wages payable	183,508	141,625
Contracts payable - retainage	1,170,005	668,353
Deferred revenue	277,439	219,466
Accrued vacation liability	1,726,503	1,749,186
Total current liabilities	5,567,701	3,785,676
Non-current liabilities		
Employee benefit obligations	3,805,366	3,805,366
Net pension liability	7,495,251	7,495,251
Total non-current liabilities	11,300,617	11,300,617
Total liabilities	16,868,318	15,086,293
Deferred inflows of resources		
Pension differences between expected and actual experience	1,886,086	1,886,086
Total deferred inflows of resources	1,886,086	1,886,086
NET POSITION		
Net investment in capital assets	161,956,390	160,040,146
Restricted		
Passenger facility charges	6,182,143	978,713
Customer facility charges	4,371,038	2,056,535
General aviation fund charges	399,062	358,304
Savannah aviation village fund charges	-	10,147
Other restricted assets	5,450	3,225
Total restricted	10,957,693	3,406,924
Unrestricted	56,982,361	54,558,021
Total net position	229,896,444	218,005,091
Total liabilities, deferred inflows of resources, and net position	\$ 248,650,848	\$ 234,977,470

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>	2018	2017 (restated)
Operating revenues		
Airfield	\$ 5,703,136	\$ 4,741,605
Terminal one	15,248,112	14,097,691
Airport business center	-	5,000
Commercial aviation	2,406,820	2,342,588
Apron	71,773	70,879
Parking	8,534,367	7,704,652
Non-aviation	3,336,134	3,028,981
Total operating revenues	35,300,342	31,991,396
Operating expenses		
Airfield	2,162,008	2,219,609
Terminal one	11,463,914	10,654,133
Airport business center	113,294	74,964
Commercial aviation	165,349	149,683
Apron	3,969	7,121
Parking	1,653,726	1,453,209
Non-aviation	1,144,642	1,079,432
Administrative expenses	8,566,816	7,373,924
Depreciation	12,703,635	11,878,166
Total operating expenses	37,977,353	34,890,241
Operating loss	(2,677,011)	(2,898,845)
Non-operating revenues (expenses)		
Passenger facility charges	5,549,069	4,863,617
Customer facility charges	2,613,350	732,738
General aviation fund charges	89,080	100,030
Interest revenue	1,127,197	903,020
Gain on bond refunding	-	6,401
Net decrease in the fair value of investments	(132,721)	(178,827)
Loss on disposal of capital assets	(100,973)	-
Total non-operating revenues	9,145,002	6,426,979
Income before capital contributions	6,467,991	3,528,134
Capital contributions	5,423,362	5,686,825
Increase in net position	11,891,353	9,214,959
Total net position, beginning of year	218,005,091	208,790,132
Total net position, end of year	\$ 229,896,444	\$ 218,005,091

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

Savannah Airport Commission

Statements of Cash Flows

<i>Years ended December 31,</i>	2018	2017 (restated)
Cash flows from operating activities		
Cash received from providing services	\$ 34,633,182	\$ 31,882,022
Cash paid to suppliers	(7,775,571)	(9,959,146)
Cash paid to employees	(15,820,125)	(15,065,639)
Net cash provided by operating activities	11,037,486	6,857,237
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(14,847,717)	(15,001,009)
Receipts from capital grants	5,423,362	5,686,825
Proceeds from sale of capital assets	126,864	-
Receipts and interest from		
Passenger facility charges	5,549,069	4,863,617
Customer facility and other charges	2,702,430	832,768
Net cash used in capital and financing activities	(1,045,992)	(3,617,799)
Cash flows from investing activities		
Interest received	962,310	633,359
Sale of investments	33,616,000	27,546,000
Purchase of investments	(45,244,006)	(36,534,000)
Change in lease receivables	3,225,031	184,122
Net cash used in investing activities	(7,440,665)	(8,170,519)
Net increase (decrease) in cash and cash equivalents	2,550,829	(4,931,081)
Net cash and cash equivalents, beginning	9,275,212	14,206,293
Cash and cash equivalents, ending	\$ 11,826,041	\$ 9,275,212

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>	2018	2017 (restated)
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,677,011)	\$ (2,718,537)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	12,703,635	12,031,368
Loss on disposal of capital assets	(100,973)	-
Provision for OPEB obligation	-	1,299,693
Net pension liability	-	(2,142,262)
Changes in operating assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	(725,133)	(425,309)
Inventories	1,257	(23,627)
Deposits	(38,020)	-
Prepaid expenses	(9,267)	133,322
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,232,663	(1,720,147)
Security deposits	12,420	(5,659)
Contracts payable - retainage	501,652	286,944
Deferred revenue	57,973	(17,575)
Accrued vacation liability	(22,683)	159,026
Net cash provided by operating activities	\$ 10,936,513	\$ 6,857,237

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>	2018	2017 (restated)
Reconciliation of cash and cash equivalents to the statements of net position		
Cash and cash equivalents	\$ 1,555,722	\$ 6,452,021
Total restricted assets, less receivables	10,270,319	2,823,191
<hr/>		
Cash and cash equivalents, ending	\$ 11,826,041	\$ 9,275,212
<hr/>		
Schedule of non-cash investing and capital and related financing activities		
Change in fair value of investments	\$ (132,721)	\$ (178,827)

The accompanying notes are an integral part of these 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 provides 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.

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.

1. Summary of Significant Accounting Policies (cont.)

Budgets and Budgetary Accounting (cont.)

The 2018 budget was approved by the Commission members on December 6, 2017. 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.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Prior Year Adjustments

During 2018, the Commission became aware of errors in prior reported financial statements as a result of recording a lease agreement with the Chatham County Mosquito Control Commission (Mosquito Control) as an operating lease rather than a direct financing lease. In correcting such error, the Commission has restated its previously issued 2017 financial statements including adjustments to the following previously reported items: building and improvements, accumulated depreciation, leases receivable, net of current portion, Non-aviation operating revenues, interest revenue, depreciation expense and the related impact on the Commission's total net position.

Adjustments to the statement of net position as of December 31, 2017 decreased buildings and improvements by \$4,596,057, accumulated depreciation by \$2,451,229, increased leases receivable, net of current portion by \$3,016,770 and total net position included an increase of \$1,001,909.

Adjustments to the 2017 statement of revenues, expenses and changes in net position increased interest revenue by \$199,595 reduced non-aviation operating revenue by \$333,510 and reduced depreciation expense by \$153,202 resulting in an increase of net position for the year ended December 31, 2017 of \$19,287.

Total net position at December 31, 2017 was increased by \$1,001,909, which included the net increase of \$19,287 for the year ended December 31, 2017 and \$982,622 from prior periods.

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/Inflows of Resources

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to assets, the statement of financial position reports 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.

1. Summary of Significant Accounting Policies (cont.)

Deferred Outflows/Inflows of Resources (cont.)

The Commission has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains, or losses, result from periodic studies by the Commission's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement plan members. These experience gains, or losses, are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the Commission to the pension plan before year-end but subsequent to the measurement date of the Commission's net pension liability are reported as deferred outflows of resources. This amount will reduce the net pension liability in the next fiscal year.

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.

Investments

Investments consist of amounts placed with the Office of Treasury and Fiscal Services for participation in the State Investment Pool and those made locally. Commission monies placed in the State Investment Pool represent an interest in the pool rather than ownership of specific securities. These investments have short-term maturities and are considered cash equivalents. The fair value of the position in this State Investment Pool is the same as the cost of the pool shares.

Other investments are reported at fair value, based on quoted market prices.

The Commission is authorized by Georgia Code 36-83-4 (1993) statutes to invest in the following:

1. Obligations of the State of Georgia or of other states,
2. Obligations issued by the United States government,
3. Obligations fully insured or guaranteed by the United States government or a United States government agency,
4. Obligations of any corporation of the United States government,
5. Prime bankers' acceptances,
6. The local government investment pool established by Georgia Code Section 36-83-8,
7. Repurchase agreements, and
8. Obligations of other political subdivisions of the state of Georgia.

1. Summary of Significant Accounting Policies (cont.)

Restricted Assets

Restricted assets consist of cash and cash equivalents, investments and other resources which are restricted by authoritative or legal documents 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.

Inventories

Inventories consist of expendable materials and supplies held for consumption in the course of the Commission's operations. Inventories are stated at cost or net realizable value.

Capital Assets

Capital assets are stated at cost, or, as in the case of donated capital assets, the acquisition value at the time of acquisition. 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.

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

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, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. These standards establish 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.)

Effective January 1, 2018, the Commission implemented the provisions of GASB Statement No. 75, *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.

In 2017 and prior, the Commission used an end of year measurement date and therefore the 2017 measurement date was December 31, 2017. During the year ended December 31, 2018, the Commission elected to change its measurement date to use actuarial reports with the measurement date of the beginning of the year January 1, 2018 for both post-employment pension benefits and post-employment healthcare benefits other than pensions (OPEB). As a result of the change in measurement date there was no change in annual OPEB cost in Note 12 as well as no change in deferred outflows and deferred inflows of resources for pension noted within the financial statements. This change in measurement will allow the Commission to report in a more timely manner for the current period and all subsequent periods.

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 net investment in capital assets. 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 grantors or laws, or regulations of other governments.

Unrestricted - This component consists of net position that do not meet the definition of “Net investment in capital assets” 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.

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.

1. Summary of Significant Accounting Policies (cont.)

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 accordance 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 2018 and 2017 was \$5,549,069 and \$4,863,617, respectively. PFC reports to the FAA are based on actual collections and do not include accounts receivable. Such amounts collected in 2018 and 2017 are \$5,445,428 and \$4,755,967, respectively; and remaining collections unspent as of December 31, 2018 and 2017 are \$5,494,769 and \$394,980, respectively.

Customer Facility Charges

The Commission requires car rental companies to charge a Customer Facility Charge (CFC), increased from \$3.00 per contract in 2017 to \$3.00 per day of use in 2018, 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 2018 and 2017 was \$2,613,350 and \$732,738, respectively.

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 2018 and 2017 was \$89,080 and \$100,030, respectively.

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 2018 and 2017, was \$5,423,362 and \$5,686,825, respectively.

Concentrations

For the years ended December 31, 2018 and 2017, the Commission's revenues from one customer, Delta Airlines, was approximately \$4.5 million and \$4.4 million, respectively. This represented a concentration risk as it comprised 14% and 16% of total operating revenues, respectively.

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, 2018 and 2017 were \$3,119,502 and \$2,504,004, respectively.

Subsequent Events

Subsequent events have been evaluated and disclosed through June 27, 2019, the date the financial statements were available to be issued.

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, 2018, 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	\$ 68,502,517	\$ 49,154,517	\$ 19,348,000	\$ -	\$ -
Georgia Fund 1	AAA	1,745	1,745	-	-	-
Cash investments at financial institution	NR	260	260	-	-	-
		\$ 68,504,522	\$ 49,156,522	\$ 19,348,000	\$ -	\$ -

Savannah Airport Commission

Notes to Financial Statements

2. Deposits and Investments (cont.)

At December 31, 2017, 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	\$ 59,443,165	\$ 35,375,165	\$ 24,068,000	\$ -	\$ -
Georgia Fund 1	AAA	1,713	1,713	-	-	-
Cash investments at financial institution	NR	260	260	-	-	-
		\$ 59,445,138	\$ 35,377,138	\$ 24,068,000	\$ -	\$ -

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 Poor, as weekly reports are submitted to maintain the Pool's AAA rating.

Savannah Airport Commission

Notes to Financial Statements

2. Deposits and Investments (cont.)

Total deposits as of December 31, 2018:

Cash and cash equivalents	\$	1,555,722
Investments		68,504,522
Restricted cash and cash equivalents		10,270,319
	\$	80,330,563

Cash deposited with financial institutions		11,826,041
Certificates of Deposit		68,504,522
	\$	80,330,563

3. Restricted Cash and Investments

Restricted cash consists of the following at December 31:

	2018	2017
Passenger facility charge fund	\$ 5,494,769	\$ 394,980
Customer facility charge fund	4,371,038	2,056,535
Savannah aviation village fund	-	10,147
General aviation fund	399,062	358,304
Other restricted funds	5,450	3,225
	\$ 10,270,319	\$ 2,823,191

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, 2018 and 2017, as management, after evaluation of such accounts based upon historical collections and evaluation of individual customer credit, determined all accounts were considered collectible.

5. Direct Financing Leases

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

Savannah Airport Commission

Notes to Financial Statements

5. Direct Financing Leases (cont.)

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.

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 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.

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 2028.

Mosquito Control

The Commission entered into a lease agreement with Mosquito Control in which the Commission agreed to finance the construction of facilities at a cost of \$4,596,057. The direct financing lease has a term of 30 years and an interest rate of 6.08% and expires in 2032. During 2018, Mosquito Control paid the outstanding principal balance of the lease, requiring no further payments of principal or interest for the remainder of the lease term.

Minimum lease payments to be received under all direct financing leases as of December 31, 2018, for each of the next five years and thereafter are:

<i>Years ended December 31,</i>		
2019	\$	136,928
2020		109,454
2021		109,454
2022		98,788
2023		88,124
Thereafter		330,523
Total minimum lease payments		873,271
Less interest		261,953
Present value of minimum lease payments	\$	611,318

Savannah Airport Commission

Notes to Financial Statements

6. Capital Assets

Capital assets consist of the following at December 31, 2018:

	Total 2017	Increases/ Additions	Deletions/ Transfers	Total 2018
Capital assets, not being depreciated				
Land	\$ 10,669,398	\$ -	\$ -	\$ 10,669,398
Construction in progress	10,183,355	13,004,653	(8,954,938)	14,233,070
Total capital assets not being depreciated	20,852,753	13,004,653	(8,954,938)	24,902,468
Capital assets being depreciated				
Buildings and improvements	162,255,071	1,139,736	(6,074,713)	157,320,094
Runways, taxiways, and lights	114,108,019	-	-	114,108,019
Equipment	23,149,952	9,269,074	(378,505)	32,040,521
Access roads	24,897,325	325,450	-	25,222,775
Total capital assets being depreciated	324,410,367	10,734,260	(6,453,218)	328,691,409
Less accumulated depreciation for				
Buildings and improvements	95,826,687	6,141,572	(5,910,915)	96,057,344
Runways, taxiways, and lights	57,505,517	4,155,438	-	61,660,955
Equipment	14,961,677	1,621,976	(379,731)	16,203,922
Access roads	16,929,093	786,173	-	17,715,266
Total accumulated depreciation	185,222,974	12,705,159	(6,290,646)	191,637,487
Net capital assets	\$ 160,040,146	\$ 11,033,754	\$ (9,117,510)	\$ 161,956,390

Savannah Airport Commission

Notes to Financial Statements

6. Capital Assets (cont.)

Capital assets consist of the following at December 31, 2017:

	Total 2016	Increases/ Additions	Deletions/ Transfers	Total 2017
Capital assets not being depreciated				
Land	\$ 10,669,398	\$ -	\$ -	\$ 10,669,398
Construction in progress	8,101,120	14,266,015	(12,183,780)	10,183,355
Total capital assets not being depreciated	18,770,518	14,266,015	(12,183,780)	20,852,753
Capital assets being depreciated				
Buildings and improvements	166,692,364	158,764	-	166,851,128
Runways, taxiways, and lights	104,639,423	9,468,596	-	114,108,019
Equipment	20,946,592	2,203,360	-	23,149,952
Access roads	23,803,424	1,093,901	-	24,897,325
Total capital assets being depreciated	316,081,803	12,924,621	-	329,006,424
Less accumulated depreciation for				
Buildings and improvements	92,120,459	6,157,458	-	98,277,917
Runways, taxiways, and lights	53,645,839	3,859,678	-	57,505,517
Equipment	13,642,052	1,319,625	-	14,961,677
Access roads	16,235,040	694,053	-	16,929,093
Total accumulated depreciation	175,643,390	12,030,814	-	187,674,204
Net capital assets	\$ 159,208,931	\$ 15,159,822	\$ (12,183,780)	\$ 162,184,973

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 2018 and 2017, received through these leases was approximately \$8.5 million and \$7.8 million, respectively.

As of December 31, 2018, estimated cost of leased land and buildings was \$62.5 million net of accumulated depreciation of \$46.9 million for a carrying value of \$15.6 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 2018 and 2017, received through these leases was approximately \$7.3 million and \$6.9 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.

Savannah Airport Commission

Notes to Financial Statements

7. Lease Revenue (cont.)

Minimum lease payments to be received under operating leases as of December 31, 2018, for each of the next five years and thereafter are:

<i>Year ended December 31,</i>	
2019	\$ 8,473,338
2020	8,401,212
2021	8,329,701
2022	8,258,798
2023	8,188,499
Thereafter	32,475,194
Total minimum lease payments	\$ 74,126,742

8. Construction Contract Commitments

The Commission has entered into contracts for construction. Status of such contracts as of December 31, 2018 are as follows:

	Project Authorization	Expended to Date	Balance on Contract	Required Further Financing
Jumbo FA FIS Facility	\$ 13,523,598	\$ 6,635,761	\$ 6,887,837	None
Hotel Site Development	853,641	549,638	304,003	None
Automated Outbound Baggage Handling System/TSA CO-OP	4,183,311	1,492,080	2,691,231	None
Automated Parking Guidance System Replacement	593,587	530,765	62,822	None
Installation of Terminal Concourse Fan Units	658,585	55,000	603,585	None
	\$ 19,812,722	\$ 9,263,244	\$ 10,549,478	

9. 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

9. 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 necessary, based on actuarial valuations, to provide the Plan with assets sufficient to meet future benefits payable to Plan members. For December 31, 2018 and 2017, the Commission's required contribution was \$940,290 and \$898,930, respectively. The contribution requirements of Plan members and the employers are established and may be amended by the Pension Board.

Annual Pension Cost

For 2018, 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, 2018, actuarial valuation using the projected unit credit actuarial method. The actuarial assumptions included a 7.50% invested rate of return (net of investment and administrative expenses). The actuarial assumptions also include future salary increases ranging from 3.16% to 4.84% depending on age. These salary increases include an allowance for inflation of 3.00% 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 January 1, 2018 was 25 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
12/31/2016	\$ 922,404	100%	\$ -
12/31/2017	\$ 898,930	100%	\$ -
12/31/2018	\$ 940,290	100%	\$ -

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
1/1/2016	\$ 13,917	\$ 21,692	\$ 7,774	64.16%	\$ 8,601	90.40%
1/1/2017	\$ 15,205	\$ 22,975	\$ 7,770	66.18%	\$ 9,238	84.11%
1/1/2018	\$ 16,686	\$ 25,377	\$ 8,691	65.75%	\$ 9,833	88.38%

Savannah Airport Commission

Notes to Financial Statements

9. Pension Plans (cont.)

Net Pension Liability

The Commission has implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* which significantly changed the Airport’s accounting for pension amounts. The information disclosed below is presented in accordance with this standard.

The Commission is allocated a proportional share of 8.68% of the net pension liability of the Plan based on an allocation proportional to employer contributions made for fiscal 2018. This basis is intended to measure the proportion of each employer’s long-term funding requirements. The Commission’s allocated share of the net pension liability is \$7,495,251.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission’s proportional share of the net pension liability as of December 31, 2018, calculated using the discount rate of 7.5%, as well as what the proportional share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportional share of net pension liability	\$ 12,469,436	\$ 7,495,251	\$ 3,320,753

For the year ended December 31, 2018, the recognized pension expense is \$906,882. At December 31, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 303,045	\$ 452,071
Changes in assumptions	-	300,490
Net difference between projected and actual earnings on pension plan investments	-	1,107,595
Change in proportionate share	733,675	25,930
Total	\$ 1,036,720	\$ 1,886,086

9. Pension Plans (cont.)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (cont.)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ending December 31,</i>	Recognition of deferred outflows/(inflows)	
2019	\$	(110,995)
2020		(110,995)
2021		(445,050)
2022		(306,324)
2023 and Thereafter		123,998
Total	\$	(849,366)

10. 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.

11. 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

11. Fair Value of Financial Instruments (cont.)

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

	2018		2017 (restated)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and short-term investments	\$ 50,712,244	\$ 50,712,244	\$ 39,393,258	\$ 39,393,258
Accounts receivable	\$ 3,125,079	\$ 3,125,079	\$ 2,503,587	\$ 2,503,587
Long-term investments	\$ 19,348,000	\$ 19,348,000	\$ 24,068,000	\$ 24,068,000
Leases receivable	\$ 611,322	\$ 664,894	\$ 3,836,353	\$ 4,138,088
Accounts payable and accrued expenses	\$ 2,110,701	\$ 2,110,701	\$ 919,921	\$ 919,921

12. 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, 2018, employee membership data related to the City of Savannah OPEB Plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,445
Terminated participants entitled to, but not yet receiving benefits	159
Active Plan participants	2,558
Total	4,162

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 determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 2.78% of annual covered payroll.

Notes to Financial Statements

12. Post-Employment Benefits Other than Pensions (OPEB) (cont.)

OPEB Cost

For the year ended December 31, 2018, annual OPEB cost was \$0 as the measurement date of December 31, 2017 was elected as referenced in Note 1.

For the year ended December 31, 2017, annual OPEB cost was \$27,052, which was made up of the annual required contribution (ARC) of \$99,569, the interest on the Net OPEB of \$126,304, and the ARC adjustment of (\$198,821). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, the net obligation for 2018 and the two preceding years were as follows:

Plan Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2016	\$ 51,199	213.56%	\$ 3,886,269
12/31/2017	\$ 27,052	399.06%	\$ 3,805,366
12/31/2018	\$ -	-	\$ 3,805,366

Funded Status and Funding Process

The funded status of the Plan as of December 31, 2018, was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,624,101
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,624,101
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-%
Covered payroll (active plan members)	\$ 9,832,973
UAAL as a percentage of coverage payroll	16.52%

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.

Savannah Airport Commission

Notes to Financial Statements

12. Post-Employment Benefits Other than Pensions (OPEB) (cont.)

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 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 6.5% initially, reduced by decrements to an ultimate rate of 4.5% after eight years. Both rates include a 3% inflation assumption. The mortality rate was determined using the RP-2014 Employee Mortality Table, projected generationally using a modified version of the MP-2014 improvement scale. 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 December 31, 2018, was 19 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)
12/31/2015	\$ -	\$ 2,326	\$ 2,326	-	\$ 8,601	27.04%
12/31/2016	\$ -	\$ 1,913	\$ 1,913	-	\$ 8,601	20.71%
12/31/2017	\$ -	\$ 1,624	\$ 1,624	-	\$ 9,238	17.58%

Discount Rate.

The discount rate used to measure the total OPEB liability was 3.25%. The projection of cash flows used to determine the discount rate assumed that Commission's contributions will be made at rates equal to the actuarially determined contribution rates. The discount rate assumptions are consistent with a 3.00% long-term inflation assumption and a long-term investment mix policy of 55% equities and 45% fixed income. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The OPEB plan will be funded based on the actuarially determined contribution each year in the future and therefore is not projected to run out of money.

12. Post-Employment Benefits Other than Pensions (OPEB) (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the Commission’s net OPEB liability, as well as what the Commission’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.25%) or 1 percentage point higher (4.25%) than the current discount rate:

	1% Decrease (1.25%)	Discount Rate (3.25%)	1% Increase (4.25%)
Net OPEB liability	\$ 6,431,069	\$ 3,805,366	\$ 1,598,253

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates.

The following presents the Commission’s net OPEB liability, as well as what the Commission’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.25% decreasing to 3.5%) or 1 percentage point higher (7.25% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.25% decreasing to 4.5%)	1% Increase (7.25% decreasing to 5.5%)
Net OPEB liability	\$ 1,712,415	\$ 3,805,366	\$ 6,240,800

- **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>	2018	2017
Airfield income		
Landing Fees	\$ 5,007,212	\$ 4,097,411
Fuel Flow Fees	130,963	154,323
Usage Charges	225,380	245,824
Fuel Farm Fees	339,581	244,047
	5,703,136	4,741,605
Airfield expenses		
General	1,222,696	1,195,586
Maintenance		
Buildings	6,529	2,036
Grounds	445,019	444,043
Equipment	142,617	180,955
Runway	41,127	95,498
Janitorial	569	171
Fuel farm expenses	239,988	235,263
Utilities	63,463	66,058
Total expense excluding depreciation	2,162,008	2,219,610
Depreciation	4,281,591	3,973,520
Total expenses	6,443,599	6,193,130
Net airfield loss	\$ (740,463)	\$ (1,451,525)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Terminal Operations

<i>Years ended December 31,</i>	2018	2017
Terminal income		
Car rentals	\$ 5,041,525	\$ 4,691,613
Airlines	6,320,199	5,891,784
Ground transportation	455,776	373,686
Gift shop	837,429	838,777
Restaurant	930,357	727,533
Space rental	471,483	411,172
Advertising	520,231	525,962
Telephone	25,964	22,056
Vending	46,613	44,374
Mini mall	9,053	9,137
Business center	33,000	33,000
Miscellaneous	852	1,311
Common charge/ticket checkers	555,630	527,286
	15,248,112	14,097,691
Terminal expenses		
General	2,543,504	2,318,287
Maintenance		
Buildings	2,325,300	2,284,734
Grounds	86,484	41,512
Janitorial	1,035,557	982,287
Equipment	315,662	316,479
Security	2,445,301	2,365,074
Utilities	839,930	828,358
Advertising	116,058	74,025
Passport club	84,428	75,903
Visitors center	386,849	338,701
Ticket checkers/shuttle driver	1,098,007	872,725
Ground trans starters	186,834	156,048
Total expense excluding depreciation	11,463,914	10,654,133
Depreciation	4,792,151	4,521,513
Total expenses	16,256,065	15,175,646
Net terminal loss	\$ (1,007,953)	\$ (1,077,955)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Airport Business Center Operations

<i>Years ended December 31,</i>	2018	2017
Airport business center income		
Space rental	\$ -	\$ 5,000
	-	5,000
Airport business center expenses		
General	7,846	1,202
Maintenance		
Buildings	1,551	3,056
Grounds	86,164	-
Utilities	17,733	70,706
Total expense excluding depreciation	113,294	74,964
Depreciation	9,608	9,608
Total expense	122,902	84,572
Net airport business center loss	\$ (122,902)	\$ (79,572)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Commercial Aviation Operations

<i>Years ended December 31,</i>	2018	2017
Commercial aviation income		
Fixed base operators	\$ 461,125	\$ 520,730
Air cargo building	294,708	239,324
Land lease	1,452,618	1,373,880
Airline freight facility	139,235	140,500
AvGas	59,135	68,154
	2,406,821	2,342,588
Commercial aviation expenses		
General	41,397	36,385
Maintenance		
Buildings	(23,332)	(31,276)
Utilities	86,596	89,682
Ground support	8,222	4,121
Apron	-	89
Grounds	-	1,044
Fuel farm	52,466	49,638
Total expense excluding depreciation	165,349	149,683
Depreciation	366,209	352,023
Total expense	531,558	501,706
Net commercial aviation income	\$ 1,875,262	\$ 1,840,882

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Apron and Parking Operations

<i>Years ended December 31,</i>	2018	2017
Apron income		
Airline fixed payments	\$ 71,773	\$ 70,879
Apron expenses		
General	224	2,996
Maintenance	3,745	2,055
Utilities	-	2,070
Total expense excluding depreciation	3,969	7,121
Depreciation	420,744	420,348
Total expense	424,713	427,469
Net apron loss	\$ (352,940)	\$ (356,590)
Parking income		
Parking	\$ 8,534,367	\$ 7,704,652
Parking expenses		
General	1,393,706	1,242,120
Maintenance		
Buildings	98,259	33,563
Equipment	3,410	3,980
Grounds	6,480	15,220
Utilities	151,871	158,326
Total expense excluding depreciation	1,653,726	1,453,209
Depreciation	1,663,766	1,644,455
Total expense	3,317,492	3,097,664
Net parking income	\$ 5,216,875	\$ 4,606,988

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Non-Aviation Operations

<i>Years ended December 31,</i>	2018	2017
Non-aviation income		
Land leases	\$ 1,198,188	\$ 1,099,284
Space rental	365,373	396,674
Motel	1,715,419	1,789,857
Industrial park	6,000	6,000
Food and beverage	49,854	70,276
Miscellaneous	1,300	400
	3,336,134	3,362,491
Non-aviation expenses		
General	291,843	286,500
Maintenance		
Buildings	3,556	19,357
Grounds	658,796	588,551
Equipment	84,579	79,445
Utilities	105,868	105,579
Total expense excluding depreciation	1,144,642	1,079,432
Depreciation	1,028,237	976,514
Total expense	2,172,879	2,055,946
Net non-aviation income	\$ 1,163,255	\$ 1,306,545

See independent auditor's report.

Savannah Airport Commission

Schedules of Administrative Expenses

<i>Years ended December 31,</i>	2018	2017
Salaries	\$ 2,523,454	\$ 2,418,407
Employee benefits	1,047,264	712,128
Contract labor	-	24,706
Marketing	2,656,446	2,066,592
Professional fees	466,857	503,978
Miscellaneous	469,541	309,151
Dues, travel, and meetings	503,667	530,139
Office supplies and postage	481,184	381,838
Telephone	88,386	62,219
Insurance	202,943	226,234
Equipment rental and service contracts	125,670	134,891
Printing and advertising	1,404	3,641
Total expense excluding depreciation	8,566,816	7,373,924
Depreciation	141,329	120,678
Total expense	\$ 8,708,145	\$ 7,494,602

See independent auditor's report.

Savannah Airport Commission

Statistical Section (Unaudited)

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>	2009	2010	2011	2012
Operating revenues				
Airfield	\$ 2,903,967	\$ 2,878,057	\$ 2,960,483	\$ 2,979,410
Terminal one	10,511,017	10,442,756	10,651,583	11,022,200
Airport business center	304,387	190,912	237,774	251,498
Commercial aviation	1,521,800	1,337,406	1,384,381	1,540,736
Apron	44,947	58,804	59,049	55,080
Parking	5,104,720	5,021,958	5,069,763	5,090,084
Non-aviation	1,908,538	1,949,889	2,210,156	2,357,093
Foreign trade zone	300,606	308,402	41,880	46,637
Total operating revenues	22,599,982	22,188,184	22,615,069	23,342,738
Operating expenses				
Airfield	1,381,902	1,410,421	1,518,448	1,560,643
Terminal one	7,125,571	7,382,021	7,388,517	8,525,450
Airport business center	212,080	272,540	278,190	234,919
Commercial aviation	372,715	211,397	201,895	175,258
Apron	37,239	29,406	28,374	27,931
Parking	1,626,661	1,516,103	1,367,486	1,382,186
Non-aviation	999,068	1,058,883	1,018,677	770,901
Foreign trade zone	308,761	309,242	217,008	112,931
Administrative expenses	3,678,603	3,967,748	4,266,647	4,614,001
Depreciation	9,496,476	9,768,006	9,833,916	9,812,599
Total operating expenses	25,239,076	25,925,767	26,119,158	27,216,819
Operating loss	(2,639,094)	(3,737,583)	(3,504,089)	(3,874,081)
Non-operating revenues (expenses)				
Passenger facility charges	3,088,060	2,717,454	3,047,826	3,115,125
Customer facility charges	-	510,033	510,213	530,901
General aviation charges	-	77,291	60,288	69,395
Savannah aviation village fund charge	-	59,250	60,600	22,000
Interest revenue	890,682	866,356	685,564	553,716
Interest expense	(1,005,643)	(903,999)	(687,586)	(536,837)
Bond issuance cost amortization	(83,194)	(83,194)	(123,210)	(163,225)
Bond premium amortization	76,139	76,139	162,160	248,182
Loss on bond refunding	(114,711)	(114,711)	(132,322)	(149,932)
Net (decrease) increase in the fair value investments	(65,848)	185,027	(40,831)	(23,667)
Recovery of bad debt	13,557	9,822	-	1,294
Gain on disposal of capital assets	82,598	85,647	39,708	(10,251)
Total non-operating revenues	2,881,640	3,485,115	3,582,410	3,656,701
Income before capital contributions	242,546	(252,468)	78,321	(217,380)
Capital contributions	4,988,367	4,842,933	5,167,328	10,478,528
Net position adjustment	-	7,208,040	-	-
Increase in net position	\$ 5,230,913	\$ 11,798,505	\$ 5,245,649	\$ 10,261,148
Net position at year-end composed of				
Net investment in capital assets	\$ 141,662,886	\$ 147,826,432	\$ 150,510,150	\$ 164,079,072
Restricted	6,243,580	8,465,063	9,286,594	9,181,408
Unrestricted	22,224,208	25,637,684	27,378,084	24,175,496
Total net position	\$ 170,130,674	\$ 181,929,179	\$ 187,174,828	\$ 197,435,976

Savannah Airport Commission

Total Annual Revenues, Expenses, and Changes in Net Position

2013*	2014	2015	2016	2017*	2018
\$ 3,104,566	\$ 3,257,492	\$ 3,430,523	\$ 4,092,314	\$ 4,741,605	\$ 5,703,136
11,449,988	11,965,612	12,378,721	13,225,485	14,097,691	15,248,112
228,817	212,094	146,878	4,200	5,000	-
2,103,115	2,216,288	2,229,309	2,239,342	2,342,588	2,406,820
55,048	54,381	60,231	59,651	70,879	71,773
5,260,004	6,018,305	6,508,913	7,023,629	7,704,652	8,534,367
2,472,968	2,713,210	3,106,677	3,241,826	3,028,981	3,336,134
-	-	-	-	-	-
24,674,506	26,437,382	27,861,252	29,886,447	31,991,396	35,300,342
1,631,526	1,905,637	2,146,532	2,332,494	2,219,609	2,162,008
8,499,325	9,094,306	9,449,322	10,696,443	10,654,133	11,463,914
274,554	140,603	85,877	63,253	74,964	113,294
237,942	261,441	158,716	258,360	149,683	165,349
27,066	24,547	26,691	14,664	7,121	3,969
1,452,052	1,369,561	1,337,464	1,535,639	1,453,209	1,653,726
689,325	1,110,988	1,028,223	1,167,691	1,079,432	1,144,642
-	-	-	-	-	-
4,827,543	5,751,582	7,664,600	7,221,902	7,373,924	8,566,816
10,306,897	9,969,695	11,202,854	11,329,228	11,878,166	12,703,635
27,946,230	29,628,360	33,100,279	34,619,674	34,890,241	37,977,353
(3,271,724)	(3,190,978)	(5,239,027)	(4,733,227)	(2,898,845)	(2,677,011)
3,073,621	3,640,888	3,902,443	4,208,795	4,863,617	5,549,069
548,616	611,273	658,964	694,209	732,738	2,613,350
77,196	79,130	87,267	88,364	100,030	89,080
10,500	-	-	-	-	-
487,125	319,351	404,423	499,415	903,020	1,127,197
(442,838)	(345,038)	(260,600)	(125,349)	-	-
-	-	-	-	-	-
248,182	248,182	136,380	136,380	-	-
(149,932)	(149,932)	(50,524)	(28,837)	6,401	-
(121,987)	(45,893)	23,651	51,447	(178,827)	(132,721)
-	-	-	-	-	-
84,596	11,297	8,664	59,481	-	(100,973)
3,815,079	4,369,258	4,910,668	5,583,905	6,426,979	9,145,002
543,355	1,178,280	(328,359)	850,678	3,528,134	6,467,991
5,580,020	5,932,857	4,021,586	859,175	5,686,825	5,423,362
-	-	-	-	-	-
\$ 6,123,375	\$ 7,111,137	\$ 3,693,227	\$ 1,709,853	\$ 9,214,959	\$ 11,891,353
\$ 163,915,951	\$ 161,352,944	\$ 157,729,262	\$ 159,208,931	\$ 160,040,146	\$ 161,956,390
10,193,462	9,715,727	11,058,622	3,349,869	3,406,924	10,957,693
29,009,263	39,161,142	37,309,773	45,248,710	54,558,021	56,982,361
\$ 203,118,676	\$ 210,229,813	\$ 206,097,657	\$ 207,807,510	\$ 218,005,091	\$ 229,896,444

*2013 and 2017 have been restated

Savannah Airport Commission

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

Employer	2018	2009
	Employees	Employees
Gulfstream Aerospace Corporation	12,000	6,024
Ft. Stewart/Hunter Army Airfield	5,773	4,285
Savannah-Chatham County Board of Education	5,654	4,093
Memorial Health University Medical Center	4,775	4,643
St. Joseph's/Candler Health System	3,400	3,304
City of Savannah	2,468	2,500
Savannah College of Art & Design	1,886	1,500
Chatham County	1,600	1,500
Georgia Ports Authority	1,080	*
Armstrong State University	886	*
Walmart	*	2,935
Momentum Resources II, Inc.	*	1,703

Source: The Savannah Area Chamber of Commerce and The Savannah Economic Development Authority.

*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			
				Principal	Interest	Total	Coverage
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	\$ 2,275	\$ 688	\$ 2,963	2.56
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
2015	\$ 29,181	\$ 21,948	\$ 7,233	\$ 2,705	\$ 261	\$ 2,966	2.44
2016	\$ 31,416	\$ 23,319	\$ 8,097	\$ 2,845	\$ 125	\$ 2,970	2.73
2017*	\$ 33,734	\$ 23,191	\$ 10,534	\$ -	\$ -	\$ -	-
2018	\$ 39,130	\$ 25,507	\$ 13,623	\$ -	\$ -	\$ -	-

*2013 and 2017 have been restated

Gross revenue excludes passenger facility charges included in non-operating revenue and capital contributions of \$10,972,431 in 2018 and \$10,550,442 in 2017.

<i>Years ended December 31,</i>	2009	2010	2011	2012
Ratio of authority issued Revenue Bond debt service to total expenses				
Principal	\$ 2,050,000	\$ 2,155,000	\$ 2,275,000	\$ 2,350,000
Interest	1,005,643	903,999	687,586	536,838
Total debt service	\$ 3,055,643	\$ 3,058,999	\$ 2,962,586	\$ 2,886,838
Total expenses	\$ 26,508,472	\$ 27,027,671	\$ 27,103,107	\$ 28,100,731
Ratio of debt service to total expenses	12%	11%	11%	10%
Debt service per enplaned passenger				
Net debt service	\$ 3,055,643	\$ 3,058,999	\$ 2,962,586	\$ 2,886,838
Enplaned passengers	821,216	835,728	817,631	814,496
Debt service per enplaned passenger	\$ 3.72	\$ 3.66	\$ 3.62	\$ 3.54
Debt limit per enplaned passenger				
Debt limit	No limit	No limit	No limit	No limit
Enplaned passengers	821,216	835,728	817,631	814,496
Debt limit per enplaned passenger	N/A	N/A	N/A	N/A
Outstanding debt per enplaned passenger				
Revenue bonds	\$ 18,192,658	\$ 15,961,519	\$ 13,752,306	\$ 11,154,124
Notes payable	-	-	-	-
Total outstanding debt	\$ 18,192,658	\$ 15,961,519	\$ 13,752,306	\$ 11,154,124
Outstanding debt per enplaned passenger	\$ 22	\$ 19	\$ 17	\$ 14

Savannah Airport Commission

Ratios of Outstanding Debt

2013*		2014		2015		2016		2017*		2018	
\$	2,445,000	\$	2,390,000	\$	2,705,000	\$	2,845,000	\$	-	\$	-
	442,838		345,038		260,600		125,350		-		-
\$	2,887,838	\$	2,735,038	\$	2,965,600	\$	2,970,350	\$	-	\$	-
\$	28,660,987	\$	30,169,223	\$	33,411,403	\$	34,773,860	\$	35,069,068	\$	38,211,047
	10%		9%		9%		9%		0%		0%
\$	2,887,838	\$	2,735,038	\$	2,965,600	\$	2,970,350	\$	-	\$	-
	823,494		963,385		1,017,065		1,089,222		1,229,083		1,395,040
\$	3.51	\$	2.84	\$	2.92	\$	2.73	\$	-	\$	-
	No limit		No limit		No limit		No limit		No limit		No limit
	823,494		963,385		1,017,065		1,089,222		1,229,083		1,395,040
	N/A		N/A		N/A		N/A		N/A		N/A
\$	8,460,942	\$	5,822,760	\$	2,981,380	\$	-	\$	-	\$	-
	-		-		-		-		-		-
\$	8,460,942	\$	5,822,760	\$	2,981,380	\$	-	\$	-	\$	-
\$	10	\$	6	\$	3	\$	-	\$	-	\$	-

* 2013 and 2017 have been restated.

Savannah Airport Commission

Demographic Statistics Last Ten Calendar Years

Year	Population (1)	Chatham County Per Capita Income (1)	Personal Income (000's) (1)	School Enrollment (2)	Unemployment Rate (3)
2009	262,122	\$ 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
2015	283,379	\$ 40,872	\$ 11,582,152	37,059	5.50
2016	286,956	\$ 42,115	\$ 12,085,072	38,033	5.00
2017	289,082	\$ 43,076	\$ 12,452,599	37,335	4.00
2018	290,501	\$ 44,313	\$ 12,872,910	37,393	3.40

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

Savannah Airport Commission

Industry Specific Trend Data Last Ten Calendar Years

Year	Enplanements	Deplanements	Total Passengers	Available Seats	Load Factor
2009	821,216	829,167	1,650,383	1,093,625	75%
2010	835,723	817,574	1,653,297	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%
2015	1,017,065	1,010,197	2,027,262	1,214,145	84%
2016	1,089,222	1,101,184	2,190,406	1,333,669	82%
2017	1,229,083	1,234,358	2,463,441	1,501,797	82%
2018	1,395,040	1,404,486	2,799,526	1,768,310	79%

Source: Savannah Airport Commission, Finance Department.

	2018	Percent of Total 2018	2017	Percent of Total 2017
Airline				
Delta Airlines	478,767	27.18%	449,293	29.68%
PSA (American)	260,756	14.81%	206,144	13.62%
JetBlue	159,557	9.06%	152,751	10.09%
American Airlines	150,412	8.54%	64,716	4.28%
Allegiant Airlines	138,366	7.86%	101,503	6.71%
Endeavor (Delta)	135,516	7.69%	82,856	5.47%
United Airlines	124,268	7.06%	79,087	5.22%
Air Wisconsin (United)	43,193	2.45%	9,259	0.61%
Mesa (United)	32,886	1.87%	38,198	2.52%
Express Jet (United)	32,795	1.86%	47,792	3.16%
Republic (American)	23,375	1.33%	12,744	0.84%
Frontier	17,201	0.98%	-	-
Envoy Air (American)	14,732	0.84%	37,289	2.46%
Air Canada	11,248	0.64%	8,436	0.56%
Trans States (United)	11,219	0.64%	4,250	0.28%
Sky West (United)	11,160	0.63%	12,336	0.81%
CommutAir (United)	10,231	0.58%	13,352	0.88%
Republic (United)	9,219	0.52%	8,742	0.58%
Piedmont (American)	5,750	0.33%	8,933	0.59%
Sun Country	5,458	0.31%	6,091	0.40%
Express Jet (Delta)	3,835	0.22%	44,852	2.96%
Mesa (American)	3,492	0.20%	-	-
GoJet (Delta)	2,570	0.15%	13,282	0.88%
Republic (Delta)	2,260	0.13%	1,628	0.11%
Trans States (American)	1,911	0.11%	13,481	0.89%
SkyWest (Delta)	1,275	0.07%	150	0.01%
GoJet (United)	67	0.00%	6,432	0.42%
Air Wisconsin (American)	-	-	19,787	1.31%
Shuttle America (United)	-	-	1,808	0.12%
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Continental	-	-	-	-
Comair (Delta)	-	-	-	-
US Airways Express	-	-	-	-
Chautauqua (Delta)	-	-	-	-
Vision Airlines	-	-	-	-
Pinnacle Airlines	-	-	-	-
Total scheduled	1,691,519	96.04%	1,445,192	95.48%
Total non-scheduled	6,101	0.35%	5,719	0.38%
Cargo carriers				
Federal Express	54,054	3.07%	51,678	3.41%
Air Cargo Carriers	7,026	0.40%	7,009	0.46%
Suburban Air Freight	2,443	0.14%	3,458	0.23%
Martinaire, Inc.	70	0.00%	35	0.00%
Mountain Air Cargo	34	0.00%	-	-
Sky Way Enterprises	-	-	592	0.04%
Wiggins Airways	-	-	-	-
Ram Air Freight	-	-	-	-
Air Now	-	-	-	-
DHL Express	-	-	-	-
Total Cargo	63,627	3.61%	62,772	4.15%
Grand Cargo	1,761,247	100.00%	1,513,683	100.00%

Source: PASSUR, passive radar software.

Savannah Airport Commission

Airline Landed Weights (1,000 lbs.) 2009 – 2018

2016	2015	2014	2013	2012	2011	2010	2009
437,725	437,487	409,511	414,153	415,927	395,480	314,574	309,843
215,003	213,920	85,836	86,597	88,326	58,031	52,395	54,451
144,815	137,908	119,116	-	-	-	-	-
4,877	260	-	-	-	-	-	-
69,803	17,665	-	-	-	8,648	2,083	-
55,621	48,590	42,732	-	-	-	-	-
6,926	-	-	-	-	44,997	17,304	20,069
-	-	-	-	-	-	-	-
33,969	24,522	11,725	8,943	12,596	6,432	25,256	59,232
79,769	97,412	134,643	131,057	110,595	41,991	58,092	-
17,056	3,551	19,480	32,429	47,239	99,827	86,301	80,587
-	-	-	-	-	-	-	-
47,312	25,242	45,709	46,596	48,425	56,540	58,273	66,683
-	-	-	-	-	-	-	-
6,431	20,781	-	-	4,469	7,892	16,255	34,252
7,033	2,641	-	67	-	-	-	1,206
13,360	-	-	-	-	-	-	-
11,963	-	-	-	-	-	-	-
859	993	888	420	204	684	305	926
7,987	5,180	-	-	-	-	-	-
40,219	42,596	55,660	28,034	26,794	27,793	69,302	69,199
6,093	19,831	114,541	124,798	87,675	70,635	79,894	88,198
40,063	41,760	30,485	18,425	9,581	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	300	1,051
2,077	-	-	-	-	-	-	-
22,936	18,894	35,908	35,767	28,576	15,933	17,625	5,217
578	-	-	-	-	-	-	-
9,822	819	1,023	20,462	19,759	292	8,755	1,181
-	6,157	-	-	-	-	-	-
-	-	7,171	28,251	11,557	-	6,147	-
-	-	-	3,277	8,032	255	-	213
-	-	-	769	5,276	48,317	45,477	12,300
-	-	-	-	36,107	79,312	82,057	80,720
-	-	-	-	8,910	4,430	13,323	61,572
-	-	-	-	753	898	7,926	19,788
-	-	-	-	298	28,635	36,252	11,914
-	-	-	-	-	1,554	-	-
-	-	-	-	-	-	-	24,742
1,282,297	1,166,209	1,114,428	980,045	971,099	998,576	997,896	1,003,344
3,154	5,367	5,654	2,195	4,812	4,139	5,000	4,439
52,074	54,648	54,252	51,440	42,563	49,068	44,578	45,978
6,369	6,198	6,426	6,606	4,238	6,094	6,232	4,046
3,912	3,667	3,548	3,487	2,450	2,773	4,294	4,233
36	80	113	51	8,876	2,146	2,408	896
-	-	-	-	-	-	-	-
679	-	-	-	-	-	-	-
13	263	76	-	988	-	-	-
-	-	-	-	-	-	77	276
-	-	-	-	-	-	-	1,326
-	-	-	-	-	-	-	510
63,083	64,856	64,415	61,584	59,115	60,081	57,589	57,265
1,348,534	1,236,432	1,184,497	1,043,824	1,035,026	1,062,796	1,060,485	1,065,048

	2018	Percent of Total 2018	2017	Percent of Total 2017
Airline				
Delta Airlines	398,783	28.59%	383,335	31.19%
PSA (American)	206,121	14.78%	174,532	14.20%
JetBlue	135,325	9.70%	135,313	11.01%
Allegiant Airlines	124,108	8.90%	94,360	7.68%
American Airlines	118,537	8.50%	48,337	3.93%
Endeavor (Delta)	104,076	7.46%	64,004	5.21%
United Airlines	93,840	6.73%	63,883	5.20%
Air Wisconsin (United)	38,151	2.73%	8,732	0.71%
Express Jet (United)	30,880	2.21%	46,174	3.76%
Mesa (United)	25,728	1.84%	32,005	2.60%
Republic (American)	17,156	1.23%	9,855	0.80%
Frontier	16,817	1.21%	-	-
Envoy Air (American)	14,449	1.04%	32,021	2.61%
Trans States (United)	10,494	0.75%	3,792	0.31%
Air Canada	9,910	0.71%	7,419	0.60%
SkyWest (United)	9,448	0.68%	10,786	0.88%
CommutAir (United)	8,872	0.64%	12,721	1.03%
Republic (United)	8,012	0.57%	6,858	0.56%
Piedmont (American)	5,435	0.39%	8,328	0.68%
Sun Country	3,953	0.28%	4,053	0.33%
Mesa (American)	3,490	0.25%	-	-
Express Jet (Delta)	3,145	0.23%	34,419	2.80%
GoJet (Delta)	2,059	0.15%	10,633	0.87%
Trans States (American)	1,921	0.14%	12,523	1.02%
Republic (Delta)	1,697	0.12%	1,035	0.08%
Sky West (Delta)	885	0.06%	151	0.01%
GoJet (United)	68	0.00%	4,783	0.39%
Air Wisconsin (American)	-	-	16,248	1.32%
Shuttle America (United)	-	-	1,142	0.09%
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Continental	-	-	-	-
Comair (Delta)	-	-	-	-
Chautauqua (Delta)	-	-	-	-
Vision Airlines	-	-	-	-
US Airways Express	-	-	-	-
Pinnacle Airlines	-	-	-	-
Total	1,393,360	99.88%	1,227,442	99.87%
Non-Scheduled	1,680	0.12%	1,641	0.13%
Grand Total	1,395,040	100.00%	1,229,083	100.00%

Source: Individual Airlines.

Savannah Airport Commission

Enplaned Passengers 2009 – 2018

2016	2015	2014	2013	2012	2011	2010	2009
370,076	386,595	367,560	346,474	346,857	301,000	241,441	247,429
180,459	183,150	74,807	73,237	73,303	51,289	47,225	45,702
128,576	121,577	104,402	-	-	-	-	-
63,171	17,568	-	-	-	6,578	1,122	-
996	28	-	-	-	-	-	-
42,395	36,185	27,980	-	-	-	-	-
6,522	-	-	-	-	40,953	16,196	18,762
-	-	-	-	-	-	-	-
78,771	96,384	126,028	119,552	95,592	34,094	48,920	-
30,135	20,547	7,902	7,629	8,593	5,410	19,821	48,467
14,318	3,107	17,260	28,020	40,099	77,188	64,578	61,406
-	-	-	-	-	-	-	-
42,107	25,127	44,151	45,769	46,386	50,470	49,445	52,665
6,382	20,203	-	-	3,528	6,527	14,917	29,236
-	-	-	-	-	-	-	-
6,147	2,267	-	-	-	-	-	1,131
12,676	-	-	-	-	-	-	-
10,579	-	-	-	-	-	-	-
587	52	134	100	-	302	8	590
3,431	2,274	-	-	-	-	-	-
4,880	16,612	98,421	96,914	72,159	58,704	69,174	68,842
26,022	31,480	36,152	23,438	21,896	25,611	62,067	59,165
29,864	29,355	22,510	13,488	7,122	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	255	790
1,586	-	-	-	-	-	-	-
20,545	17,468	30,351	29,982	26,740	14,017	14,576	4,375
425	-	-	-	-	-	-	-
7,883	671	818	14,549	13,891	285	7,596	1,155
-	5,304	-	-	-	-	-	-
-	-	4,089	20,866	8,823	-	5,749	-
-	-	-	1,921	5,819	257	-	149
-	-	-	644	4,151	44,441	45,211	11,323
-	-	-	-	30,573	66,084	71,114	74,225
-	-	-	-	7,263	4,167	11,012	48,627
-	-	-	-	258	27,882	40,263	11,459
-	-	-	-	-	928	-	-
-	-	-	-	-	-	3,141	11,448
-	-	-	-	-	-	-	23,480
1,088,533	1,015,954	962,565	822,583	813,053	816,187	833,831	820,426
689	1,113	820	911	1,443	1,444	1,897	790
1,089,222	1,017,067	963,385	823,494	814,496	817,631	835,728	821,216

Savannah Airport Commission

Aircraft Operations 2009 – 2018

Year	Airlines	Cargo	General Aviation	Military	Total
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
2015	20,042	19,101	40,486	9,062	88,691
2016	23,597	19,405	42,132	7,546	92,680
2017	24,878	20,273	41,503	8,173	94,827
2018	28,226	20,160	40,752	7,685	96,823

Annual Compounded Growth

2009-2018	6.83%	-1.22%	-2.36%	1.67%	0.19%
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Source: FAA

Savannah Airport Commission

Airlines Serving the Savannah/Hilton Head International Airport

PRIMARY CARRIERS

Air Canada
Allegiant
American
Delta
Frontier
JetBlue
Sun Country
United

AFFILIATE CARRIERS

Air Wisconsin d/b/a United
CommutAir d/b/a United
Endeavor d/b/a Delta
Envoy d/b/a American
Express Jet d/b/a Delta
Express Jet d/b/a United
GoJet d/b/a Delta
GoJet d/b/a United
Mesa d/b/a American
Mesa d/b/a/United
Piedmont d/b/a American
PSA d/b/a American
Republic d/b/a American
Republic d/b/a Delta
Republic d/b/a United
SkyWest d/b/a Delta
SkyWest d/b/a United
Trans States d/b/a American
Trans States d/b/a United

ALL CARGO CARRIERS

Air Cargo Carriers
Federal Express
Martinaire Aviation
Mountain Air Cargo
Suburban Air Freight

Customer Name	Revenue From Customers 2018	% Of Total Revenue 2018	Revenue From Customers 2017	% Of Total Revenue 2017
PARKING	\$ 8,534,367	26.30%	\$ 7,704,748	27.56%
DELTA AIRLINES	\$ 4,479,404	13.80%	\$ 4,357,879	15.59%
AMERICAN AIRLINES	\$ 2,508,982	7.73%	\$ 1,964,732	7.03%
ALAMO/NATIONAL (f/k/a Vanguard)	\$ 2,079,736	6.41%	\$ 1,464,041	5.24%
HERTZ RENT A CAR	\$ 2,004,051	6.18%	\$ 1,323,888	4.74%
GULFSTREAM	\$ 1,663,104	5.12%	\$ 1,617,650	5.79%
UNITED AIRLINES	\$ 1,464,993	4.51%	\$ 1,292,175	4.62%
ENTERPRISE	\$ 1,240,476	3.82%	\$ 892,747	3.19%
JETBLUE	\$ 1,216,452	3.75%	\$ 1,250,191	4.47%
HOST, INC	\$ 1,027,429	3.17%	\$ 824,900	2.95%
BUDGET CAR RENTAL	\$ 931,241	2.87%	\$ 611,873	2.19%
AVIS RENT A CAR	\$ 894,638	2.76%	\$ 672,371	2.41%
PARADIES	\$ 894,035	2.75%	\$ 895,408	3.20%
PSA AIRLINES	\$ 782,562	2.41%	\$ 597,812	2.14%
ENDEAVOR AIRLINES - DELTA	\$ 410,281	1.26%	\$ 248,415	0.89%
FEDERAL EXPRESS	\$ 404,851	1.25%	\$ 319,481	1.14%
THRIFTY	\$ 385,296	1.19%	\$ 346,053	1.24%
SIGNATURE FLIGHT SUPPORT	\$ 382,880	1.18%	\$ 483,592	1.73%
CHATHAM CO. MOSQ CONTROL	\$ 345,230	1.06%	\$ 394,080	1.41%
TSA	\$ 337,230	1.04%	\$ 692,354	2.48%
UBER	\$ 245,177	0.76%	-	-
DOLLAR RENT A CAR	\$ 220,218	0.68%	-	-
US AIRWAYS	-	-	-	-
ASA - UNITED	-	-	-	-
MESA-US AIRWAYS	-	-	-	-
GOODWILL INDUSTRIES	-	-	-	-
AMERICAN EAGLE	-	-	-	-
EXPRESS JET-UNITED	-	-	-	-
CONTINENTAL EXPRESS	-	-	-	-
MESA-UNITED	-	-	-	-
REPUBLIC AIRLINES	-	-	-	-
ASA-DELTA CONNECTION	-	-	-	-

Source: Savannah Airport Commission, Finance Department.

Savannah Airport Commission

Principal Customers

2016	2015	2014	2013	2012	2011	2010	2009
\$ 7,024,263	\$ 6,508,041	\$ 6,017,762	\$ 5,260,004	\$ 5,090,084	\$ 5,069,763	\$ 5,021,958	\$ 5,104,720
\$ 4,366,076	\$ 4,409,800	\$ 4,269,161	\$ 4,321,510	\$ 4,137,592	\$ 3,901,914	\$ 3,265,473	\$ 2,738,673
\$ 1,344,446	\$ 1,396,281	\$ 1,444,405	-	-	-	-	-
\$ 1,349,645	\$ 1,272,924	\$ 969,881	\$ 767,753	\$ 803,237	\$ 817,442	\$ 906,650	\$ 766,853
\$ 1,197,321	\$ 1,170,657	\$ 1,205,561	\$ 1,071,008	\$ 1,019,274	\$ 984,063	\$ 1,063,263	\$ 809,929
\$ 1,636,155	\$ 1,558,964	\$ 1,603,327	\$ 1,333,438	\$ 809,977	\$ 458,043	\$ 523,246	\$ 841,326
\$ 1,009,661	\$ 985,201	\$ 1,090,830	\$ 1,208,256	\$ 537,657	-	-	-
\$ 764,941	\$ 706,456	\$ 648,022	\$ 633,847	\$ 576,510	\$ 522,201	\$ 523,937	\$ 372,726
\$ 1,062,944	-	-	-	-	-	-	-
\$ 787,693	\$ 707,620	\$ 611,152	\$ 511,211	\$ 483,713	\$ 481,628	\$ 451,941	\$ 436,546
\$ 541,795	\$ 574,587	\$ 650,412	\$ 534,221	\$ 533,998	\$ 511,930	\$ 565,758	\$ 457,249
\$ 661,366	\$ 611,229	\$ 621,366	\$ 556,467	\$ 579,394	\$ 594,835	\$ 640,891	\$ 539,353
\$ 776,391	\$ 663,623	\$ 679,311	\$ 547,145	\$ 566,346	\$ 559,506	\$ 527,667	\$ 503,995
\$ 602,004	\$ 577,580	\$ 223,369	\$ 217,013	\$ 212,482	-	-	-
-	-	-	-	-	-	-	-
\$ 260,810	\$ 249,259	\$ 256,063	\$ 462,028	\$ 431,745	\$ 439,845	\$ 420,431	\$ 420,864
\$ 362,843	\$ 327,884	\$ 363,853	\$ 289,152	\$ 274,995	\$ 240,731	\$ 354,420	-
\$ 513,339	\$ 552,978	\$ 497,662	\$ 668,386	\$ 698,769	\$ 674,465	\$ 706,978	\$ 656,222
\$ 391,388	\$ 388,696	\$ 386,004	\$ 383,312	\$ 380,620	\$ 378,467	\$ 376,313	\$ 374,259
\$ 252,156	\$ 255,975	\$ 245,247	\$ 245,674	\$ 231,165	\$ 246,121	\$ 322,992	-
-	-	-	-	-	-	-	-
\$ 219,894	\$ 209,125	\$ 223,342	-	-	-	-	-
\$ 504,942	\$ 510,020	\$ 710,666	\$ 1,738,024	\$ 1,594,722	\$ 1,471,922	\$ 1,128,906	\$ 669,034
-	\$ 263,020	\$ 349,290	-	-	-	-	-
-	-	\$ 297,798	\$ 311,991	\$ 210,414	\$ 162,457	\$ 284,567	\$ 490,780
-	-	\$ 211,446	\$ 214,926	\$ 234,534	\$ 234,534	-	-
-	-	-	\$ 749,316	\$ 721,951	\$ 780,517	\$ 639,325	\$ 664,881
-	-	-	\$ 328,357	\$ 337,242	-	-	-
-	-	-	-	\$ 434,778	\$ 838,507	\$ 798,798	\$ 711,378
-	-	-	-	\$ 398,304	\$ 694,558	\$ 600,664	\$ 580,607
-	-	-	-	-	\$ 229,601	\$ 282,057	\$ 452,333
-	-	-	-	-	-	\$ 262,115	\$ 439,794

Savannah Airport Commission

Miscellaneous Statistical Information

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Date of Incorporation -1949										
Form of Government										
Employees Number of Employees	182	173	171	175	172	184	196	201	204	205
Terminal Building	352,641 SF	352,641 SF								
Land Owner	3,638 acres	3,638 acres								
Airport Business Center	112,000 SF	11,748 SF								
Runways:										
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	15	15
Terminal Gates in Use	8	8	8	8	8	9	10	11	12	12
Number of Airlines Serviced	21	22	22	21	17	16	21	24	27	27
Number of Rental Car Agencies on Property	7	7	7	7	7	8	8	8	8	8
Number of Taxi/Limousine Companies Servicing Airport	66	63	65	72	79	80	76	76	71	70
Number of Concessionaires in Terminal Building	16	16	18	17	17	17	17	18	19	20
Number of Public Parking Spaces	3,954	3,954	3,954	3,954	3,954	3,914	3,924	3,924	3,924	3,924

Source: Savannah Airport Commission, Finance Department

Savannah Airport Commission

Compliance Section

Independent auditor's 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 on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

Independent auditor's report on compliance with requirements applicable to the passenger facility charge program and on internal control over compliance.





**INDEPENDENT AUDITOR'S 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***

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 financial statements of Savannah Airport Commission (the Commission) as of and for the years ended December 31, 2018 and 2017, 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 27, 2019.

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

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.

Respectfully submitted,

Hancock Asken & Co., LLP

Savannah, Georgia
June 27, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Commissioners
Savannah Airport Commission

Report on Compliance for Each Major Federal Program

We have audited the compliance of Savannah Airport Commission (the Commission) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018. 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

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, 2018.

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



Savannah, Georgia
June 27, 2019

**SAVANNAH
HILTON HEAD**
INTERNATIONAL 

Savannah Airport Commission

Schedule of Expenditures of Federal Awards

December 31, 2018

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	\$ 5,320,079
			\$ 5,320,079

*Major program as defined by United States Office of Management and the Uniform Guidance.

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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. Summary of Significant Accounting Policies

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. Indirect Cost Rate

The Commission has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Relationship to Financial Statements

Federal program award revenues are reported as non-operating revenue in the Commission's basic financial statements as federal construction grants in the amount of \$5,535,263.

5. 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, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified

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 unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 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 \$750,000

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

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings

None reported



**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

Report on Compliance for Passenger Facility Charge Program

We have audited Savannah Airport Commission (the Commission) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on the Commission's passenger facility charge program for the year ended December 31, 2018.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Those standards and guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Passenger Facility Charge Audit Guide for Public Agencies, 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 the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,

Hancock Askew & Co., LLP

Savannah, Georgia
June 27, 2019

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
PFC Income		
PFC Revenue	\$ 5,444,251	\$ 80,911,694
Interest	1,177	838,558
Total PFC income	\$ 5,445,428	\$ 81,750,252
Expenditures		
GILBERT SOUTHERN - APRON	-	316,549
DUNN CONST. IN #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 INVOICE #1	-	27,995
HIGGERSON INVOICE #26	-	298,474
BANK OF NY-DEBT SVC 92 BONDS/2001 Bond Ref./2011 Bond Ref.	-	42,939,056
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 - AIP24	-	4,429
NORTH/SOUTH PERIMETER FENCE - NON AIP	-	195,905
PHOENIX CONST (SAC REIMB) AIP26 T/W E	-	244,628
FAA AIP26 T/W E CABLES	-	1,735
J.M. MILES AIP27 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 AIP29 T/W C	-	47,020
GREINER (SAC REIMB) AIP29 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 AIP29 R/W 18/36	-	102,619
GREINER (SAC REIMB) AIP29 R/W 18/36	-	6,695
AAAE (SAC REIMB) AIP29 R/W 18/36 (ANTN)	-	484
SAC REIMB-LABOR/TESTING AIP29 R/W 18/36	-	2,742
GREINER AIP30 GA TWY #3	-	6,222
S&ME AIP30 GA TWY #3	-	11
ADEL STEEL AIP30 GA TWY #3	-	50,000
RB BAKER AIP30 GA TWY #3 INV 1-8	-	49,026
SAC REIMB-LABOR/ADMIN AIP30 GA TWY #3	-	1,625
TWY A-SAC REIMB-LABOR	-	3,712
TWY A-AIP30-GREINER	-	16,777
TWY A-AIP33-URS CORP(GREINER)	-	1,814
TWY A-AIP 33 -TRIANGLE INV#1-13	-	346,833
TWY A-AIP 33-S&ME	-	2,000
SWEEPER	-	100,000

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
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
AAAAE 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 LIFTS - 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

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
Relocate Airfield Lighting Controls- ATCT AIP 38 -SAC REIMB	-	10,988
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 (Phase1&2)-BAKER (AIP39&40)	-	692
Airfield Lighting Impr.-Vault (Phase1&2)-CHOATE (AIP39&40)	-	8,100
Airfield Lighting Impr.-Vault (Phase1&2)-SAC REIMB PFC OVERPD Choate.(AIP39&40)	-	1,303
Airfield Lighting Impr.-Vault (Phase1&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 depo (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 Construction (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 (AIP39)-R.B. BAKER (APPL #6)	-	1,671
Replace ARFF Bridge (AIP39)-SAC REIMB. (APPL #6)	-	14,649
Runway Redesignation-URS	-	663
Runway Redesignation- RC CONSTRUCTION	-	29,264
Runway Redesignation- REIMB SAC	-	36,160

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
Relocate Runway 36 Localizer-URS	-	543
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 ck 13511 Reimb PFC fund -Harbor & Reimb SAC	-	6,822
Taxiway B Extension (APPL#7)- Reimb SAC	-	94,670
Taxiway C-2 (APPL#7)- Harbor	-	214,356
Taxiway C-2 (APPL#7)- SAC ck 13511 Reimb PFC fund -Harbor & Reimb SAC	-	24,370
Update main comm 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	-	109,722
Bio Scrypt 15 Boarding Bridges Doors- Johnson Control	-	144,760
Bio Scrypt 15 Boarding Bridges Doors- URS	-	3,154
Bio Scrypt 15 Boarding Bridges Doors- Reimb SAC	-	4,742
Runway 18/36 Extension-Reimb. SAC URS Design cost	-	74,111
NAVAIDS-URS (APP #7)	-	30,464
NAVAIDS-FAA (APP #7)	-	201,921
NAVAIDS- Reimb SAC (APP #7)	-	205,392
Airport Master Plan (PFC #7)- URS	-	51,292
Airport Master Plan (PFC #7)- SAC Reimb PFC	-	20,042
Asphalt Pavement replace -Runway 19/1 -Reimb SAC (PFC #8)	-	69,379
Construct Taxiway A-Reimb SAC (APP#8)	-	169,812
Rehabilitate T/W B2, North end of T/W B, T/WC, T/W E1-Reimb SAC (APP#8)	-	18,476
GA Connector T/W Site Development North of Terminal RK Contracting	-	270,348

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
GA Connector T/W Site Development North of Terminal Reimb SAC	-	217,423
GA Connector T/W Site Development North of Terminal-ECS	-	27
Terminal Walkways-Reimb SAC-APP #8	-	23,589
Terminal Walkways-Miller-App (#8)	-	6,485
GA Taxiway 4 & 5-reimb SAC (APP#8)	-	18,639
PFC Application #8 Implementation & Admin-Reimb SAC	-	27,921
EA North Development-Application #8-Reimb SAC	-	18,982
Surface Painted Holding Position Signs-REIMB SAC-APP # 8	-	185,020
CCTV System Replacement-reimb SAC APP #8	-	61,421
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	-	23,520
PA System Replacement-Alltel System GRP, INC	-	278,002
PA System Replacement - Reimb SAC	-	2,122
Two Valet Bag Belts Systems-R.J. Design	-	61,000
AOA Survey -URS	-	62,500
AOA Survey - Reimb SAC	-	12,500
Tree Removal R/W 10 Approach-Reimb SAC	-	155,862
T/W A -NAD -McLendon/URS Constr	-	453,739
T/W A Extension North - Construction - Reimb SAC	-	1,500,000
T/W H -NAD -McLendon/URS Constr	-	607,928
Gulfstream -McLendon/URS Constr	-	3,263
Elect Vault -McLendon/URS Constr	-	4,050
Electrical Vault - Reimb SAC	-	16,150
Site Mitigations (NAD)	-	60,000
Realign & Construct Gulfstream Rd - Construction - Reimb SAC	-	55,033
Realign & Construct Gulfstream Rd - Design - Reimb PFC	-	3,263
PFC Implementation and Admin.-SAC REIMB (APPL #8&9)	-	39,600
Lighting 10/28 Runway	-	41,257
Terminal Curbside Canopy Expansion	-	1,407,899
Relocate Airfield Maintenance Road	-	42,978
Runway 1 Perimeter Road	-	62,557
Taxiway C Light Replacement	-	32,718
Seal Coat Runway 10-28 Asphalt and Apron Shoulders	-	29,187
Runway 28 RSA Improvements and Road Relocations	-	127,066
In-Line Baggage System	345,639	7,379,031
Groove Runway 1-19	-	22,054
PFC 10 Application Costs	-	23,100

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the year ended December 31, 2018	Cumulative as of December 31, 2018
Add 2 AOA Gates	-	26,954
Runway 28 Safety Area Improvements	-	33,431
Replacement of Boarding Bridges at Gates 7 & 11	-	1,333,333
Total Expenditures	\$ 345,639	\$ 76,347,841
Income	\$ 5,099,789	\$ 5,402,659
Beginning Balance	(164,529)	1,247,072
Balance at December 31, 2018	\$ 4,935,260	\$ 6,649,731

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