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Annual Comprehensive Financial Report

YEARS ENDED DECEMBER 31, 2022 & 2021

SAVANNAH, GA



SAVANNAH AIRPORT COMMISSION

Annual Comprehensive Financial Report
Years Ended December 31, 2022 and 2021

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
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SAVANNAH, GA 31408

T: 912.964.0514
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TO: Savannah Airport Commissioners
Airport Attorneys
DATE: June 29, 2023
SUBJ: Commission's Annual Comprehensive Financial Report

In accordance with state statutes and local charter provisions, we hereby submit the Annual Comprehensive Financial Report (ACFR) of the Savannah/Hilton Head International Airport for the year ended December 31, 2022. 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.

Description of Airport/Reporting Entity

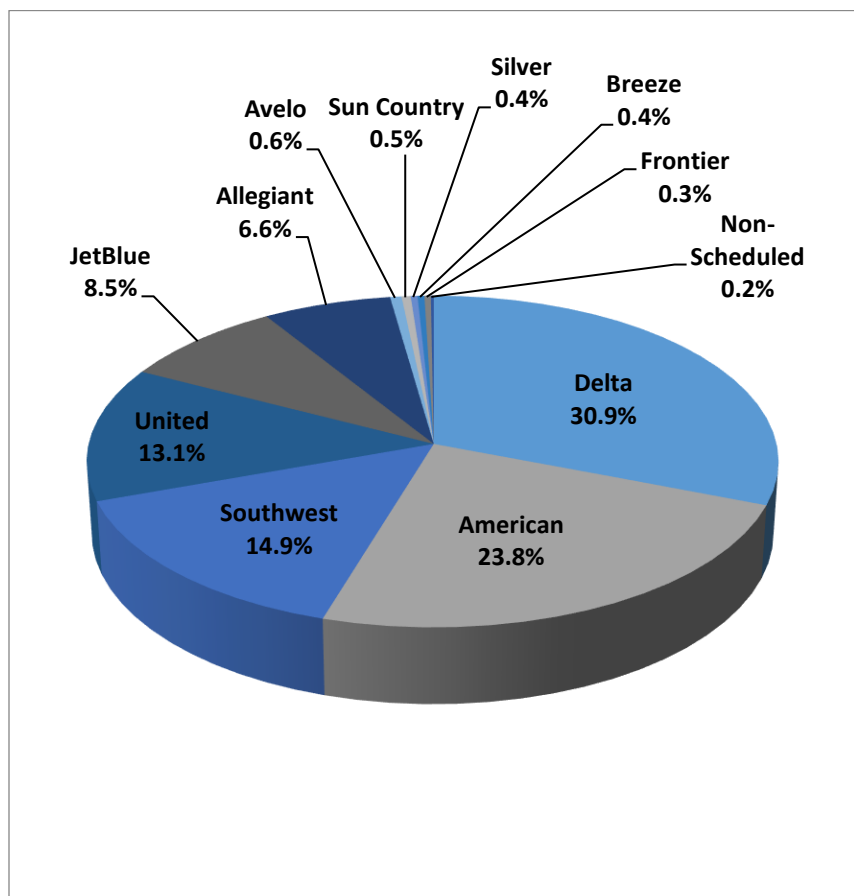
In 1940, the City of Savannah acquired a 600-acre tract to construct an airfield but before it was completed, the United States was drawn into WWII. The U.S. Army Air Corps took over construction and named the airfield Chatham Field. After WWII ended, the airfield was turned over to the Georgia Air National 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 moderate air traffic recovery from the COVID-19 pandemic in 2021, 2022 brought the airline industry to an even greater recovery. During the COVID-19 pandemic, global passenger traffic decreased 65.9% in 2020 compared to 2019. Passenger traffic recovered from 41.7% of the 2019 volumes in 2021 to 68.5% in 2022. The Savannah/Hilton Head International Airport had a much more significant recovery from COVID-19's effects. The airlines offered 2,146,800 seats in 2022 vs. the 1,837,415 seats offered in 2021, an increase of 16.8%. The load factor increased in 2022 compared to 2021, respectively at 82.34% and 75.85%. Total enplanements for 2022 were 1,765,312 vs. 1,393,720 for 2021, a significant increase of 27%. Total passengers for 2022 were 3,533,294 vs. 2,780,909 for 2021, also a significant increase of 27% compared to last year. The airlines serving the Savannah/Hilton Head International Airport in 2022 included Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Silver, Southwest, Sun Country, and United.

The Savannah/Hilton Head International Airport was pleased to offer a generous rent relief program to our tenants to help curb the effects of the COVID-19 pandemic. Three phases of relief were offered in 2020. Phase 1 allowed severely impacted tenants to defer their Minimum Annual Guarantee (MAG) and percentage of Gross Receipts payments for a three month period. The second phase extended the deferral period from three months to six months. Phase 3 of the rent relief program extended the deferral period for terminal concessionaires, this time until December 31, 2020. The third phase also waived the collection of the MAG for concessionaires within the terminal for all deferred periods, allowing tenants to only pay their percentage of Gross Receipts payments. In 2021, the MAG waiver for concessionaires within the terminal was extended until the end of the year and the landing fee and square footage rates were frozen at the 2020 rates. Throughout 2022, the waiver of the collection of the MAG for concessionaires within the terminal was once again extended for an additional year and the landing fee and square footage rates remained frozen at the 2020 rates.

The market share for the airlines serving the Airport in 2022 follows:



Delta Airlines (Delta, Endeavor, Republic, and SkyWest) had a market share of 30.9% for 2022, followed by American Air Lines (American, Envoy, Piedmont, PSA, Republic, and SkyWest) with a market share of 23.8% for the year. Southwest had a market share of 14.9% while United (United, Air Wisconsin, CommutAir, GoJet, Mesa, Republic, and SkyWest) captured 13.1% of the market share. JetBlue held 8.5% of the 2022 market share while Allegiant held 6.6%. Avelo and Breeze began service to SAV in 2022 and held market shares of 0.6% and 0.4%, respectively. Sun Country had 0.5% of the market share while Silver held 0.4%. Frontier held 0.3% of the market share, and non-scheduled had the least enplanements with 0.2% of the market.

The Savannah/Hilton Head International Airport diligently continues to work to attract new airlines, add new destinations and more flights to existing destinations, and lower fares to increase passenger traffic and continue the growth the airport has experienced in 2022. As of December 31, 2022, enplanements were well above 2021, with a significant increase of 27% and available seats were up with an increase of 17% over 2021. Following the initial COVID-19 recovery in 2021 with 1,393,720 enplanements, 2022 ended the year with a remarkable 1,765,312 enplanements. Eleven out of the twelve months in 2022 were record-breaking months for the history of the Airport. This led the airport to surpass the 2019 record of 1,502,974 enplanements and the 2022 enplanement budget of 1,548,063 enplanements.

Airport Highlights

First Quarter:

- **SAV Sponsors Bring One for the Chipper**
- **Avelo Airlines Announces nonstop service from New Haven, CT to SAV**
- **Breeze Airways announces 5 new routes to SAV**
- **SAV starts expansion and construction of secured rental car facilities**
- **Allegiant returns to Akron-Canton with nonstop SAV flights**

Second Quarter:

- **Allegiant announces nonstop flights Flint, MI**
- **GEDA/SEDA hosts Red Carpet Tour at SAV**
- **SAV welcomes Avelo Airlines' inaugural flight from New Haven, CT**
- **Sheltair hosts Commemorative Air Force Warbird Expo at SAV**
- **Sheltair hangar expansion ceremony for new 30,000sf hangar at SAV**
- **Breeze Airways kicks off service to Hartford and Columbus at SAV**
- **SAV undergoes surface painting of Runway 19**

Third Quarter:

- **Uno Pizza Express opens in the terminal**
- **SAV book exchange offers free books to passengers**
- **SAV gets Airfield FAR Part 139 annual certification**
- **SAV's new UAS program integrates into existing inspection routines**
- **The Paradies Shop in SAV's Savannah Square begins undergoing a refresh**
- **Sheltair Savannah and Fly Corps Aviation host a Girls in Aviation Day**

Fourth Quarter:

- **The Security Checkpoint Expansion Project is underway**
- **Breeze launches nonstop flights to HPN and MSY**
- **SAV hosts an aviation tour for GSU engineering students**
- **First International Charter, Canadian North, arrives at FIS Facility at SAV**
- **SAV works with SEADOG and Gulfstream to help with relief efforts**
- **Rental Car Facility improvements are complete**
- **SAV's annual Home for the Holidays reunites 5 military families**
- **More than 1,000 students from area schools perform at SAV**

Major Initiatives

The **AIP-64 Grant** was awarded on July 16, 2020 in the amount of \$908,124. The entitlement funds from the AIP-64 grant were designated to fund an update to our Master Plan. The Master Plan update was delayed and the funds from this grant were reallocated in 2022 under the AIP-72 grant to help fund the Southeast Quadrant Stormwater Drainage Improvement project.

The **CARES-65 Grant** was awarded on April 27, 2020 in the amount of \$26,824,077. This grant was a part of the CARES Act given out to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic. The grant was closed out in the second quarter of 2022.

The **AIP-66 Grant** was awarded on August 24, 2021 in the amount of \$1,111,111. The supplemental discretionary funds from the AIP-66 grant have been designated to fund capital expenditures incurred during the first phase of the project to construct the air cargo apron. Grant closeout documentation was submitted in the first quarter of 2023.

The **AIP-67 Grant** was awarded on August 24, 2021 in the amount of \$6,679,565. The entitlement and discretionary funds from the AIP-67 grant were used to fund the capital expenditures incurred during the second phase of the project to construct the air cargo apron. Grant closeout documentation was submitted in the first quarter of 2023.

The **ACRGP-68 Grant** was awarded on April 13, 2021 in the amount of \$312,985. The funds from this Airport Coronavirus Response Grant, in accordance with the CRRSA Act, were used to provide relief from rent and minimum annual guarantee (MAG) obligations, as applicable, to each eligible airport concession in an amount that reflects their proportional share of the total amount of the rent and MAGs of all eligible concessions at the airport. Airports may retain up to 2% of this grant for administrative fees. The concession relief funded by this grant must have been provided no earlier than December 27, 2020. This grant was closed out in 2022.

The **ACRGP-69 Grant** was awarded on April 13, 2021 in the amount of \$4,987,807. The funds from this Airport Coronavirus Response Grant, in accordance with the CRRSA Act, were used to reimburse the Airport's operational and maintenance expenses in an effort to offset lost revenues that were a result of the COVID-19 pandemic. Any expenses reimbursed by this grant must have been incurred on or after January 20, 2020. This grant was closed out in 2022.

The **ARPA-70 Grant** was awarded on November 8, 2021 in the amount of \$11,693,915. The funds from this Airport Rescue Grant, under the American Rescue Plan Act, were also used to reimburse the Airport for operational and maintenance expenses to help offset the lost revenues resulting from the COVID-19 pandemic. Any expenses reimbursed by this grant must have been incurred on or after January 20, 2020. Grant closeout documentation was submitted in the first quarter of 2023.

The ARPA-71 Grant was awarded on December 10, 2021 in the amount of \$1,251,941. The funds from this Airport Rescue Grant, under the American Rescue Plan Act, will be used to provide relief from rent and minimum annual guarantee (MAG) obligations, as applicable, to each eligible airport concession in an amount that reflects their proportional share of the total amount of the rent and MAGs of all eligible concessions at the airport. \$250,388 of the grant will be allocated to large concessionaires while \$1,001,553 of the grant will be allocated to small concessionaires. The concession relief funded by this grant must have been provided no earlier than March 11, 2021. This grant will be closed out in 2023.

The AIP-72 Grant was awarded on August 15, 2022 in the amount of \$5,308,672. These entitlement funds will be used to fund a portion of the design and construction of the Southeast Quadrant Stormwater Drainage Improvement project. Grant closeout documentation is expected to be submitted by the end of 2023.

A schedule of the projects included in open AIP grants as of 12/31/22 follows:

	PROJECTED COST	FAA GRANTS	PFC FUNDS	STATE FUNDS	OTHER FUNDS
Southeast Quadrant Stormwater Drainage Improvements	\$11,768,343	\$9,112,820	\$795,043		\$1,860,480
Total Cost	\$11,768,343	\$9,112,820	\$795,043		\$1,860,480

The costs detailed above include total projected costs, and the construction contract commitments (Note 7) in the auditor’s report are authorized contractor project costs through December 31, 2022.

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 fifteen (15%) percent or more, either the Airlines or Airport may request a renegotiation of the rates. This agreement was renewed effective January 1, 2020 for another five-year term. The rates below were frozen at 2020 levels in 2021 and 2022 due to the COVID-19 Pandemic. Without the rate freeze, fees would have been \$3.40 for Landing Fees, \$60.50 for Terminal Rental Rates, \$6,500 for Apron Rental Fee, and \$0.025 for Fuel Flow Fee.

Airline Rates	2018	2019	2020	2021	2022
Terminal	\$56.50	\$57.50	\$58.50	\$58.50	\$58.50
Landing Fee	\$3.00	\$3.10	\$3.20	\$3.20	\$3.20
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 2023 – 2027 totaling \$412 million. The plan consists of \$232 million for airside projects, \$91 million for terminal improvements, and \$89 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 2022, or scheduled for completion in 2023, have their projected additional operating costs and related revenues incorporated into the Commission's 2023 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 2023 budget, enplanements are projected to increase from 2022 by 5%. Landing Fees, Fuel Farm, Airline, Rental Car, Retail, Food & Beverage, Parking, and Ground Transportation revenues are all expected to increase in 2023, as a result of the projected increase in passenger traffic from the anticipated additional enplanements, the lift of the rate freeze on landing fees and terminal leased space, and also additional revenue received from new airlines. Miscellaneous revenue is also projected to increase due to the rising interest rates which should result in an increase in investment revenue. Our projected operating expenses are expected to increase approximately 13% over the 2022 year. This anticipated expense increase is mainly due to rising labor costs, benefits costs, and additional facilities maintenance projects.

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.

Technological Advances

The IT department began the implementation of CUPPS (Common User Passenger Processing System) at several ticket counters and gate positions.

IT implemented security policies related to the Microsoft accounts (email) including Conditional Access and expanded MFA options.

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 was named the #1 Airport in the U.S. in the 2022 Travel & Leisure World's Best Awards

SAV was the 43rd airport in the U.S. and the 3rd airport in Georgia designated as a National Weather Service Storm Ready Supporter

SAV received the Kaminski Award for excellence in airfield marking

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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the twenty-fourth consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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**

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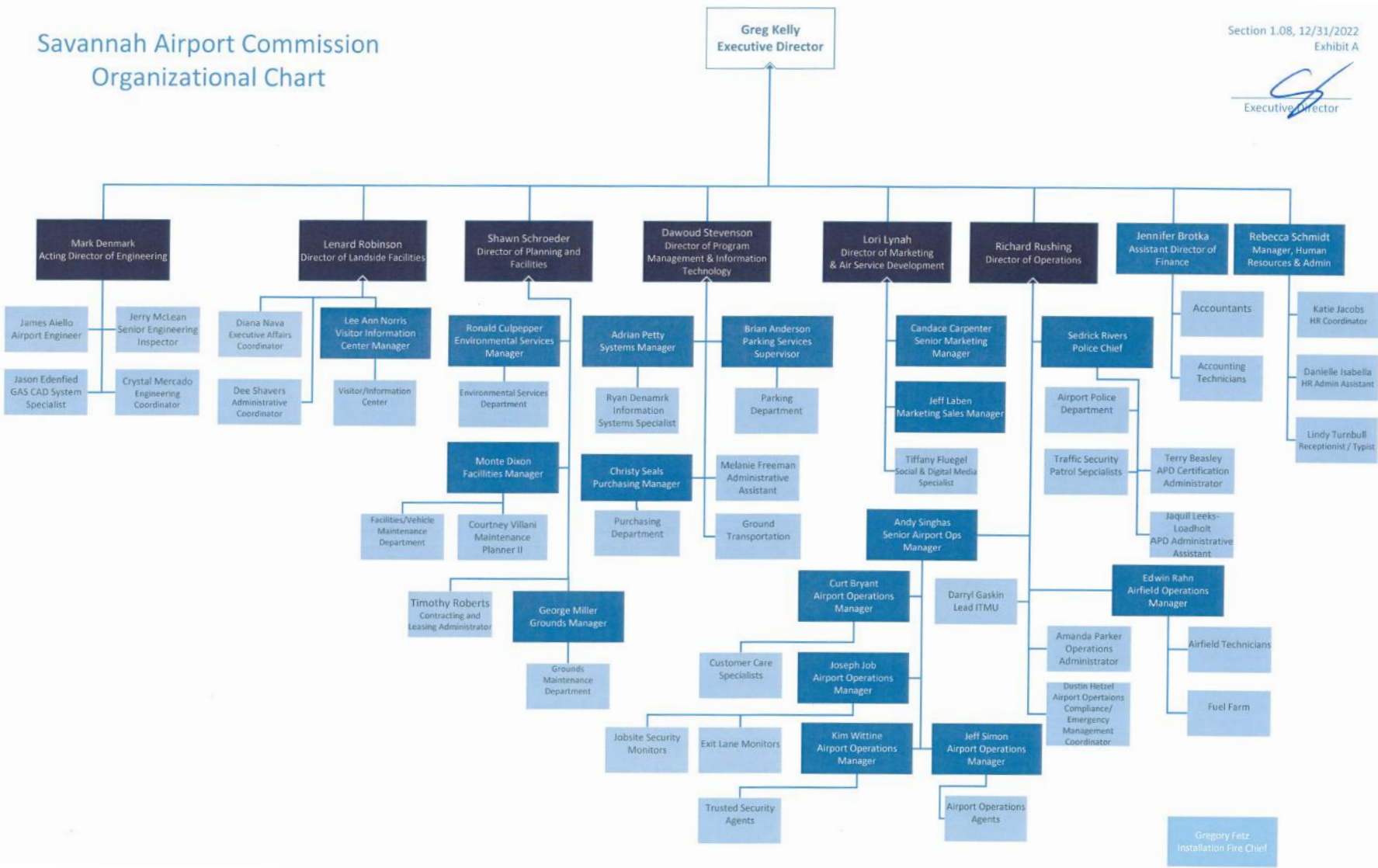
Principal Officials Year 2022

Commissioner	Position	Occupation	Term Expiration
Stephen Green	Chairman	Stephen Green Properties	2027
Shirley James	Vice-Chairman	The Savannah Tribune	2025
Lowell Kronowitz	Commissioner	Levy Jewelers	2024
Ted Kleisner	Commissioner	First Energy Corporation	2026
Randy Houston	Commissioner	DuPont	2028

Savannah Airport Commission Organizational Chart

Section 1.08, 12/31/2022
Exhibit A

[Signature]
Executive Director



A-16



Government Finance Officers Association

Certificate of
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**Savannah Airport Commission
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Savannah Airport Commission

Financial Section

- Independent Auditor's Report





Independent Auditor's Report

The Commissioners
Savannah Airport Commission
Savannah, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Savannah Airport Commission (the Commission), for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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, 2022, and 2021, 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.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, effective January 1, 2021, the Commission adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information, the Schedule of Passenger Facility Charges, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental information, Schedule of Expenditures of Federal Awards, and the Schedule of Passenger Facility Charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Hammond Arthur & Co., LLP

Savannah, Georgia
June 29, 2023

Savannah Airport Commission

Financial Section

- Management's Discussion and Analysis (Unaudited)



MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion and Analysis (MD&A) of the Savannah/Hilton Head International Airport provides an introduction to the major activities affecting the operations of the airport and an introduction and overview of the financial performance and financial statements of the Savannah Airport Commission (Commission) for the fiscal year ended December 31, 2022. 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 2022 with economic aviation conditions returning to normal operations and on pace to exceed previous records. With the recovery from COVID-19 bringing a strong return to passenger traffic, the airport exceeded many previous records. Total airline activities during the past three years are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Enplanements - Scheduled and Non-Scheduled	1,765,312	1,393,720	598,096
% increase/decrease	26.6%	133.0%	-60.2%
Aircraft Operations - All Types	116,420	112,657	92,294
% increase/decrease	3.3%	22.1%	-14.4%
Landed Weight - Scheduled and Non-Scheduled	2,098,103	1,828,440	1,055,898
% increase/decrease	14.7%	73.2%	-44.0%
Mail/Express/Freight Cargo (Tons)	8,402	8,781	8,459
% increase/decrease	-4.3%	3.8%	-8.5%
Airline Available Seats	2,144,034	1,837,415	1,026,397
% increase/decrease	16.7%	79.0%	-46.1%

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. Aircraft operations increased by 3.3% from 2021. Total enplanements were up 26.6% and airline available seats were up 16.8%. The number of non-stop destinations increased by 3 in 2022 when compared to 2021, providing service to and from 34 non-stop destinations for passengers. Landing weights increased by 14.7% and total cargo decreased by 4.3% compared to 2021.

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 deferred outflows of resources less total liabilities and total deferred inflows of resources. A summarized comparison of the Commission's assets, liabilities and net position on December 31, 2022, 2021, and 2020 follows:

	<u>2022</u>	2021	2020
Current assets			
Current assets	\$115,703,591	\$79,712,365	\$66,405,087
Current restricted assets	31,927,250	27,936,083	21,121,495
Non-current assets			
Capital assets, net	170,184,234	154,467,008	157,014,546
Other non-current assets	41,392,654	42,537,262	403,995
Long-term investments	5,021,000	24,929,000	20,046,000
Total assets	<u>\$364,228,729</u>	<u>\$329,581,718</u>	<u>\$264,991,123</u>
Deferred outflows of resources	\$5,901,865	\$5,170,225	\$4,691,731
Liabilities			
Current liabilities	\$9,410,620	\$5,355,110	\$6,268,631
Non-current liabilities			
Long-term debt outstanding	0	0	0
Net pension/OPEB liability	13,815,547	17,546,864	19,976,089
Total liabilities	<u>\$23,226,167</u>	<u>\$22,901,974</u>	<u>\$26,244,720</u>
Deferred inflows of resources	\$43,918,427	\$42,746,161	\$2,871,294
Net position			
Net investment in capital assets	\$170,184,234	\$154,467,008	\$157,014,546
Restricted	31,927,250	27,936,083	21,121,495
Unrestricted	100,874,516	86,700,717	62,430,799
Total net position	<u>\$302,986,000</u>	<u>\$269,103,808</u>	<u>\$240,566,840</u>

The Commission's financial position remained strong through December 31, 2022. Current assets increased by \$40.0 million, while total assets and deferred outflows of resources increased by \$35.4 million. The change in current and total assets was primarily due to an overall increase in assets due to grant funding and the implementation of GASB 87. GASB 87 was implemented fully for fiscal year 2022, and rolled back to 2021 for reporting purposes. Investments were continued to be kept short term due to the upcoming spending plan. The year ended with total assets and deferred outflows of resources of \$370.1 million and total liabilities and deferred inflows of resources of \$67.1 million.

Total net position, which represents the residual interest in the Commission's assets after liabilities are deducted, was \$303.0 million at December 31, 2022, an increase of \$33.9 million from 2021. This increase was due to several factors including the Commission continuing to have a strong rebound from the COVID-19 pandemic, grant funding, and also the adoption of GASB 87. In addition, passenger travel through the airport was at an all-time new high. As reflected in the above chart, the net investment in capital assets increased by \$15.7 million to \$170.2 million. The restricted and unrestricted remaining net position are derived from the Commission's operations, customer facilities charges, general aviation funding, federal and state grants, and passenger facilities charge collections. The 2022 restricted assets of \$31.9 million are subject to internal and external restrictions on how they may be used. The remaining unrestricted current assets of \$115.7 million may be used to meet any of the Commission's ongoing operations, subject to approval by the Commission's Board.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues			
Airfield	\$6,301,754	\$5,655,665	\$3,815,963
Terminal	19,103,172	16,732,497	12,054,946
Commercial Aviation	2,139,612	2,097,283	2,868,282
Apron	80,401	81,675	69,044
Parking	11,321,792	7,163,517	3,433,443
Non-Aviation	3,369,936	2,952,142	2,291,249
Total operating revenues	42,316,667	34,682,779	24,532,927
Operating expenses			
Airfield	(3,819,234)	(3,546,649)	(1,877,299)
Terminal	(10,190,493)	(9,431,481)	(11,474,856)
Airport Business Center	(13,908)	(10,097)	(11,340)
Commercial Aviation	(156,607)	(159,742)	(204,782)
Apron	(33,380)	(12,900)	(16,055)
Parking	(2,173,310)	(1,792,227)	(1,920,064)
Non-Aviation	(1,101,741)	(989,003)	(1,381,800)
Public Safety	(3,679,961)	(3,046,019)	(4,047,794)
FIS Facility	(88,048)	(80,992)	(49,501)
Administration	(11,510,624)	(11,317,539)	(11,852,237)
Total operating expenses	(32,767,306)	(30,386,649)	(32,835,732)
Excess before depreciation and other non-operating income and expenses	9,549,361	4,296,130	(8,302,805)
Depreciation	(13,550,797)	(13,374,664)	(12,763,672)
Loss before other non-operating income and expenses	(4,001,436)	(9,078,534)	(21,066,477)
Other non-operating income net	14,876,384	11,737,144	1,260,534
Income (loss) before Capital contributions	10,874,948	2,658,610	(19,805,943)
Capital contributions	23,007,244	20,512,870	14,128,106
Increase (decrease) in net position	33,882,192	23,171,480	(5,677,837)
Total net position, beginning of year	269,103,808	240,566,840	246,244,677
Prior period restatement	-	5,365,488	-
Total net position, end of year	\$302,986,000	\$269,103,808	\$240,566,840

SUMMARY OF OPERATIONS HIGHLIGHTS

Total passenger traffic (enplaned + deplaned) increased significantly in 2022. In 2022, a total of 3.5 million passengers passed through the Airport, versus 2.8 million passengers in 2021 and 1.2 million passengers in 2020. With this record-breaking throughput of passengers, the Airport ended the year 2022 with an increase in net position of \$33.9 million, versus an increase of \$23.2 million in 2021 (excluding the effects of adoption from GASB 87). Capital Contributions increased from \$14.1 million in 2020 to \$20.5 million in 2021 and increased even more to \$23.0 million in 2022. The Commission expects to show similar capital contributions again in 2023.

Significant items affecting the Summary of Revenue, Expenses, and Changes in Net Position for 2022 follows:

- **Following an increase from 2020 to 2021 of \$10.1 million, operating revenues increased 22.0%, or \$7.6 million, from \$34.7 million in 2021 to \$42.3 million in 2022 primarily due to the following:**
 - **In the Airfield cost center, revenues increased by \$0.6 million or 11.4% over 2021, which is substantially less than the increase from 2020 to 2021 of \$1.8 million or 48.2%. This revenue increase is directly attributable to a record-breaking year for passenger travel since the landing fees were still frozen at the 2020 rate of \$3.20 per 1,000 pounds. This will increase in 2023 to \$3.30 per 1,000 pounds.**
 - **The Terminal cost center experienced an increase of \$2.4 million over the 2021 year. This 14.2% increase helped beat the previous record from 2021 of \$16.7 million. The airline SF rates remained frozen at \$58.50 per SF. This was a direct result of the additional concession revenue from the increase in passengers.**
 - **In the Parking cost center, revenues increased by \$4.2 million or 58.0% in 2022, which is another strong increase comparable to the increase from 2021 of \$3.7 million or 108.6% from 2020. This increase is also due to the record-breaking traffic at the Airport.**
- **Following the 7.5% decrease of \$2.5 million from 2020 to 2021, operating expenses (less depreciation) increased by 7.8%, or \$2.4 million, from \$30.4 million in 2021 to \$32.8 million in 2022. This increase in expenses was mostly due to increasing labor costs.**
- **The net result of the above was an operating gain before depreciation of \$9.5 million for 2022. This is a \$5.3 million increase from the \$4.3 million operating gain seen in 2021. The operating loss in 2020 was a drastic difference at \$8.3 million.**
- **Non-Operating Income experienced a substantial increase of 26.7% or \$3.1 million from a total of \$11.7 million in 2021 to \$14.9 million in 2022. The largest factor resulting in the increase was the record-breaking increase in passengers. More passengers on flights resulted in more PFC and CFC revenue. Additionally, rising interest rates enabled the Commission to see a substantial increase in investment income in 2022.**

- **In 2022, the Airport's capital contributions received were in the form of grants from the Federal government totaling \$23.0 million. This was an increase of \$2.5 million from the capital contributions received in 2021. This increase resulted from relief grants given to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic.**

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>2022</u>	<u>2021</u>	<u>2020</u>
Airline Landing Fees	\$ 5,508,064	\$ 4,928,527	\$ 3,263,428
Airline Terminal Rentals	6,395,976	6,471,778	6,778,829
Airline Apron Fees	<u>80,401</u>	<u>81,675</u>	<u>69,044</u>
Total Airline Revenues	11,984,441	11,481,980	10,111,301
Total Enplanements	1,765,312	1,393,720	598,096
Cost per Enplanement (rev.÷ enp.)	\$ 6.79	\$ 8.24	\$ 16.91
% Increase/Decrease	-17.6%	-51.3%	101.7%

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>
2022	\$6.79	\$8.77	\$9.18	\$8.94
2021	\$8.24	\$9.44	\$9.75	\$13.47
2020	\$16.91	\$25.32	\$14.41	\$11.73

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.

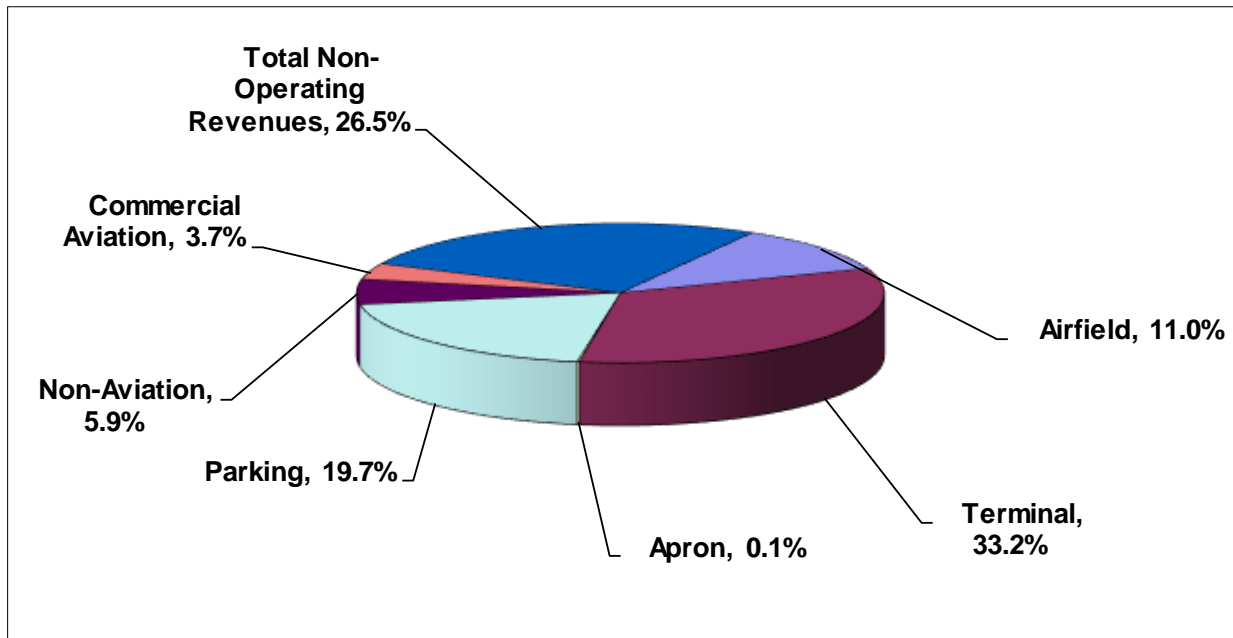
In addition, with the enplanements of fiscal year 2009 as the base, if the total annual enplanements at any time during contract term increase or decrease by twenty-five (25%) percent or more, either the Airlines or the Airport may request a renegotiation of the rates. This agreement was renewed for another five-year term, effective January 1, 2020. The rates below were frozen at 2020 levels throughout 2021 and 2022 due to the COVID-19 Pandemic.

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

	<u>2022</u>		<u>2021</u>		<u>2020</u>	
Landing Fees (Per 1,000 lbs. Maximum Gross Landing Weight)	\$3.20	Jan-Dec	\$3.20	Jan-Dec	\$3.20	Jan-Dec
Terminal Rental Rates (Per square foot)	\$58.50	Jan-Dec	\$58.50	Jan-Dec	\$58.50	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, 2022:



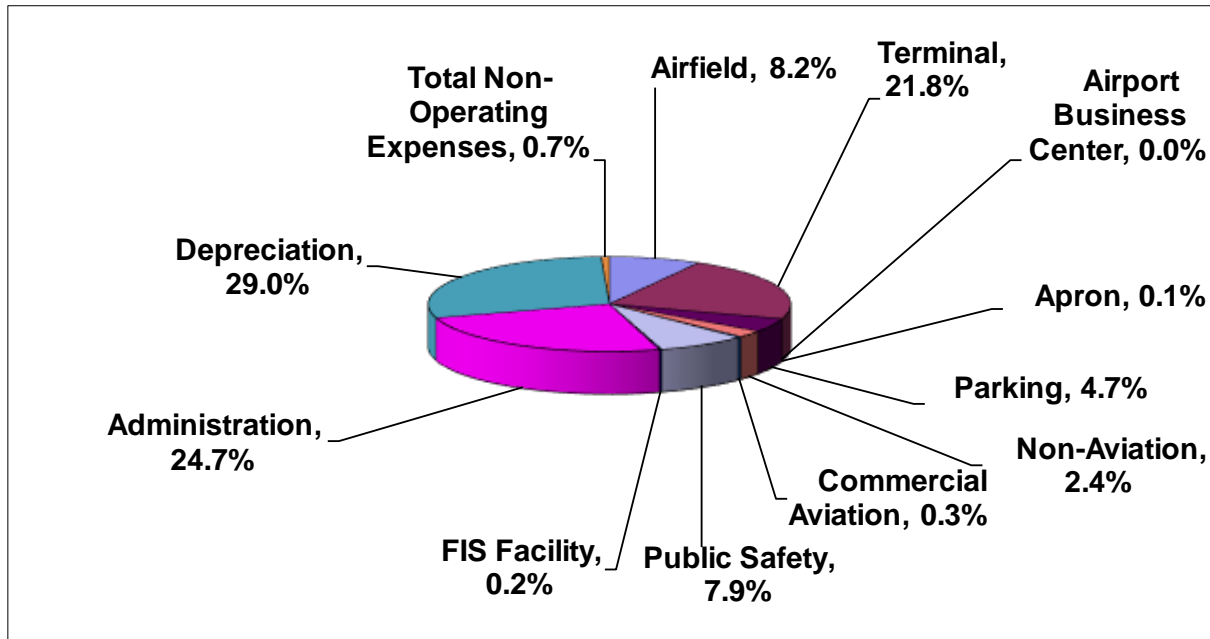
A summary of revenues for the year ended December 31, 2022, and the amounts and percentage of total in relation to prior year's amount's follow:

	2022	%	2021*	%	2020	%
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>
Operating Revenues						
Airfield	\$ 6,301,754	11.0%	\$ 5,655,665	12.1%	\$ 3,815,963	12.7%
Terminal	\$ 19,103,172	33.2%	\$ 16,732,497	35.8%	\$ 12,054,946	40.0%
Apron	\$ 80,401	0.1%	\$ 81,675	0.2%	\$ 69,044	0.2%
Parking	\$ 11,321,792	19.7%	\$ 7,163,517	15.3%	\$ 3,433,443	11.4%
Non-Aviation	\$ 3,369,936	5.9%	\$ 2,952,142	6.3%	\$ 2,291,249	7.6%
Commercial Aviation	\$ 2,139,612	3.7%	\$ 2,097,283	4.5%	\$ 2,868,282	9.5%
Total Operating Revenues	\$ 42,316,667	73.5%	\$ 34,682,779	74.2%	\$ 24,532,927	81.4%
Non-Operating Revenue						
Passenger Facility Charges	\$ 7,521,835	13.1%	\$ 5,384,186	11.5%	\$ 2,538,410	8.4%
Customer Facility Charges	\$ 3,371,721	5.9%	\$ 2,810,375	6.0%	\$ 1,934,392	6.4%
General Aviation Fund Charges	\$ 94,392	0.2%	\$ 85,460	0.2%	\$ 82,373	0.3%
Interest Revenue	\$ 1,389,321	2.4%	\$ 1,421,365	3.0%	\$ -	-
Investment Revenue	\$ 771,265	1.3%	\$ 254,534	0.5%	\$ 942,438	3.1%
In-kind Rents	\$ 2,000,000	3.5%	\$ 2,000,000	4.3%	\$ -	0.0%
Gain on Disposal of Assets	\$ 71,389	0.1%	\$ 104,628	0.2%	\$ -	0.0%
Increase in the Fair Value Investment	\$ -	0.0%	\$ -	0.0%	\$ 111,697	0.4%
Total Non-Operating Revenues	\$ 15,219,923	26.5%	\$ 12,060,548	25.8%	\$ 5,609,310	18.6%
TOTAL REVENUES	\$ 57,536,590	100.0%	\$ 46,743,327	100.0%	\$ 30,142,237	100.0%

*2021 has been restated

EXPENSES

The following chart shows the major cost centers and the percentage of total expenses for the year ended December 31, 2022:



A summary of expenses for the year ended December 31, 2022, and the amounts and percentage of total in relation to prior year's amount's follow:

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2020</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	\$ 3,819,234	8.2%	\$ 3,546,649	8.0%	\$ 1,877,299	3.8%
Terminal	\$ 10,190,493	21.8%	\$ 9,431,481	21.4%	\$ 11,474,897	23.1%
Airport Business Center	\$ 13,908	0.0%	\$ 10,097	0.0%	\$ 11,299	0.0%
Apron	\$ 33,380	0.1%	\$ 12,900	0.0%	\$ 16,055	0.0%
Parking	\$ 2,173,310	4.7%	\$ 1,792,227	4.1%	\$ 1,920,064	3.8%
Non-Aviation	\$ 1,101,741	2.4%	\$ 989,003	2.2%	\$ 1,381,800	2.8%
Commercial Aviation	\$ 156,607	0.3%	\$ 159,742	0.4%	\$ 204,782	0.4%
Public Safety	\$ 3,679,961	7.9%	\$ 3,046,019	6.9%	\$ 4,047,798	8.1%
FIS Facility	\$ 88,048	0.2%	\$ 80,992	0.2%	\$ 49,501	0.1%
Administration	\$ 11,510,624	24.7%	\$ 11,317,539	25.7%	\$ 11,852,237	23.8%
Total Operating Expenses	\$ 32,767,306	70.2%	\$ 30,386,649	68.9%	\$ 32,835,732	65.7%
Depreciation						
Depreciation	\$ 13,550,797	29.0%	\$ 13,374,664	30.3%	\$ 12,763,672	25.6%
Non- Operating Expenses						
Loss on Disposal of Assets	\$ -	0.0%	\$ -	0.0%	\$ 4,348,776	8.7%
Dec. in the Fair Value Investments	\$ 343,539	0.7%	\$ 323,404	0.7%	\$ -	0.0%
Total Non-Operating Expenses	\$ 343,539	0.7%	\$ 323,404	0.7%	\$ 4,348,776	8.7%
TOTAL EXPENSES	\$ 46,661,642	100.0%	\$ 44,084,717	100.0%	\$ 49,948,180	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.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from			
Operating activities	\$ 17,524,602	\$ 381,772	\$ (4,068,446)
Investing activities	(32,925,576)	(8,563,179)	(813,459)
Capital & related financing activities	6,116,490	19,491,758	13,517,747
Net increase (decrease) in cash and cash equivalents	(9,284,484)	11,310,351	8,635,842
Cash and cash equivalents			
Beginning of year	43,207,718	31,897,367	23,261,525
End of year	<u>\$ 33,923,234</u>	<u>\$ 43,207,718</u>	<u>\$ 31,897,367</u>

The Savannah Airport Commission's available cash and cash equivalents decreased from \$43.2 million at the end of 2021 to \$33.9 million, a \$9.3 million decrease at the end of 2022, which was mainly due to a large increase in investments.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Funds from various sources (AIP, PFC, CFC, State and Airport revenues) totaling \$21.7 million were expended during 2022 on capital activities which have not been closed out of construction-in-progress as follows:

SEQ Stormwater Drainage Improvements	\$6.93	million
Rental Car Facility Lot Improvements	\$5.20	million
Air Cargo Facility	\$3.44	million
Demo Air Cargo/Apron/SE Taxilane Phase I	\$2.68	million
Security Checkpoint Expansion	\$2.30	million
Lifecycle Replacement of 750 Ton Chiller	\$0.61	million
Fuel Storage Facility Expansion	\$0.23	million
CUPPS System	\$0.20	million
Miscellaneous Projects	\$0.15	million
Total	\$21.74	million

During 2022, funds were expended in the amount of \$6.5 million on projects that were closed from construction-in-progress to their respective capital accounts throughout the year while another \$1.1 million in equipment was capitalized.

Air Cargo Apron	\$5.91	million
Passenger Boarding Bridge PC Air Units	\$0.58	million
Total	\$6.49	million

Capital asset acquisitions, those exceeding \$5,000, 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 7, Construction Contract Commitments, in the Notes to the financial statements.

DEBT ACTIVITY

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

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

On June 29, 2011, the Commission issued \$15,010,000 in revenue bonds, Series 2011 A and Series 2011 B (AMT) to advance refund the \$15,630,000 of outstanding Series 2001 A and 2001 B bonds, a reduction of \$.6 million. In addition, this was a prime opportunity to take advantage of a reduction in the All-In (TIC) rate of 4.98% to 2.83% or a \$.5 million reduction in interest expense over the remaining life of the bonds. By refinancing the Series 2001 A and 2001 B bonds, the Airport was able to 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 significant growth in passenger traffic and enplanements from 2021 to 2022. We expect this to continue throughout 2023.

- We expect to see a continued increase in passenger traffic throughout 2023 compared to 2022. Enplanements through April of 2023 are 580,434. 2022 had the previous YTD record at 489,416. We are currently 91,018 enplanements ahead of our record 2022 year.

Although external economic influences can 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 Annual Comprehensive 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 2022 ACFR 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

- **Basic Financial Statements**
 - **Statements of Net Position**
 - **Statements of Revenues, Expenses, and Changes in Net Position**
 - **Statements of Cash Flows**
 - **Notes to Financial Statements**



Savannah Airport Commission

Statements of Net Position

<i>December 31,</i>	2022	2021
ASSETS		
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 2,916,829	\$ 15,708,358
Short-term investments	107,455,279	54,167,787
Accounts receivable	3,237,081	8,013,409
Inventories	607,414	411,211
Prepaid expenses and other	275,014	277,324
Leases receivable - current portion	1,144,608	1,066,910
Deposits	67,366	67,366
Total current unrestricted assets	115,703,591	79,712,365
Restricted assets		
Cash and cash equivalents	31,006,405	27,499,360
Accounts receivable	920,845	436,723
Total current restricted assets	31,927,250	27,936,083
Total current assets	147,630,841	107,648,448
Non-current assets		
Capital assets		
Land	10,669,398	10,669,398
Construction in progress	30,976,439	11,184,659
Buildings and improvements	171,241,258	170,678,515
Runways, taxiways and lights	112,997,297	105,214,189
Equipment	32,392,837	31,447,849
Access roads	29,480,497	29,480,497
	387,757,726	358,675,107
Less accumulated depreciation	217,573,492	204,208,099
Total capital assets, net	170,184,234	154,467,008
Lease receivable, net of current portion	41,392,654	42,537,262
Long-term investments	5,021,000	24,929,000
Total non-current assets	216,597,888	221,933,270
Total assets	364,228,729	329,581,718
Deferred outflows of resources		
Pension and post-employment benefits	5,901,865	5,170,225
Total deferred outflows of resources	5,901,865	5,170,225
Total assets and deferred outflows of resources	\$ 370,130,594	\$ 334,751,943

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

Savannah Airport Commission

Statements of Net Position (cont.)

<i>December 31,</i>	2022	2021
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,793,684	\$ 2,580,303
Security deposits	51,245	48,891
Salaries and wages payable	168,260	152,780
Contracts payable - retainage	919,269	366,761
Current unearned revenue	424,872	254,272
Accrued vacation liability	2,053,290	1,952,103
Total current liabilities	9,410,620	5,355,110
Non-current liabilities		
Pension and post-employment liability	13,815,547	17,546,864
Total liabilities	23,226,167	22,901,974
Deferred inflows of resources		
Lease receipts	36,164,902	37,488,166
Pension and post-employment benefits	7,753,525	5,257,995
Total deferred inflows of resources	43,918,427	42,746,161
NET POSITION		
Net investment in capital assets	170,184,234	154,467,008
Restricted		
Passenger facility charges	22,367,857	16,596,579
Customer facility charges	9,010,125	10,832,204
General aviation fund charges	549,268	507,300
Total restricted	31,927,250	27,936,083
Unrestricted	100,874,516	86,700,717
Total net position	302,986,000	269,103,808
Total liabilities, deferred inflows of resources, and net position	\$ 370,130,594	\$ 334,751,943

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>	2022	2021
Operating revenues		
Airfield	\$ 6,301,754	\$ 5,655,665
Terminal one	19,103,172	16,732,497
Commercial aviation	2,139,612	2,097,283
Apron	80,401	81,675
Parking	11,321,792	7,163,517
Non-aviation	3,369,936	2,952,142
Total operating revenues	42,316,667	34,682,779
Operating expenses		
Airfield	3,819,234	3,546,649
Terminal one	10,190,493	9,431,481
Airport business center	13,908	10,097
Commercial aviation	156,607	159,742
Apron	33,380	12,900
Parking	2,173,310	1,792,227
Non-aviation	1,101,741	989,003
Public safety	3,679,961	3,046,019
FIS facility	88,048	80,992
Administrative expenses	11,510,624	11,317,539
Depreciation	13,550,797	13,374,664
Total operating expenses	46,318,103	43,761,313
Operating loss	(4,001,436)	(9,078,534)
Non-operating revenues (expenses)		
Passenger facility charges	7,521,835	5,384,186
Customer facility charges	3,371,721	2,810,375
General aviation fund charges	94,392	85,460
In-kind rents	2,000,000	2,000,000
Investment income	771,265	254,534
Interest income	1,389,321	1,421,365
Net decrease in the fair value of investments	(343,539)	(323,404)
Gain on disposal of capital assets	71,389	104,628
Total non-operating revenues, net	14,876,384	11,737,144
Income before capital contributions	10,874,948	2,658,610
Capital contributions	23,007,244	20,512,870
Increase in net position	33,882,192	23,171,480
Total net position, beginning of year	269,103,808	240,566,840
Restatement for change in accounting principle	-	5,365,488
Total net position, beginning of year, as restated	269,103,808	245,932,328
Total net position, end of year	\$ 302,986,000	\$ 269,103,808

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

Savannah Airport Commission

Statements of Cash Flows

<i>Years ended December 31,</i>	2022	2021
Cash flows from operating activities		
Cash received from providing services	\$ 46,888,179	\$ 31,837,244
Cash paid to suppliers	(10,844,598)	(15,013,610)
Cash paid to employees	(18,518,979)	(16,441,862)
Net cash provided by operating activities	17,524,602	381,772
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(29,268,023)	(10,816,023)
Receipts from capital grants	23,007,244	20,512,870
Proceeds from sale of capital assets	-	93,525
Receipts and interest from		
Passenger facility charges	7,521,835	5,384,186
Customer facility and other charges	3,466,113	2,895,835
Interest received from leases	1,389,321	1,421,365
Net cash provided by capital and financing activities	6,116,490	19,491,758
Cash flows from investing activities		
Interest received	662,559	374,592
Sale of investments	110,372,865	77,633,837
Purchase of investments	(144,095,896)	(86,644,838)
Insurance proceeds from property	71,389	-
Change in lease receivables	63,507	73,230
Net cash used in investing activities	(32,925,576)	(8,563,179)
Net (decrease) increase in cash, restricted cash, and cash equivalents	(9,284,484)	11,310,351
Net cash, restricted cash, and cash equivalents, beginning	43,207,718	31,897,367
Cash, restricted cash, and cash equivalents, ending	\$ 33,923,234	\$ 43,207,718

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>	2022		2021	
Reconciliation of operating loss to net cash provided by (used in) operating activities				
Operating loss	\$	(4,001,436)	\$	(9,078,534)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation		13,550,797		13,374,664
In-kind services		2,000,000		2,000,000
Net pension liability and OPEB Liability		(1,967,427)		(521,018)
Changes in operating assets and liabilities				
Decrease (increase) in assets				
Accounts receivable		4,400,912		(4,078,245)
Inventories		(196,203)		(21,401)
Prepaid expenses		2,310		(28,270)
Lease receivables		1,003,403		971,360
(Decrease) increase in liabilities				
Accounts payable and accrued expenses		3,228,861		(1,479,365)
Security deposits		2,354		850
Contracts payable - retainage		552,508		329,645
Unearned revenue		170,600		163,248
Accrued vacation liability		101,187		72,101
Deferred inflows of resources - lease receipts		(1,323,264)		(1,323,263)
Net cash provided by operating activities	\$	17,524,602	\$	381,772
Reconciliation of cash, restricted cash, and cash equivalents to the statements of net position				
Cash and cash equivalents	\$	2,916,829	\$	15,708,358
Total restricted assets, less receivables		31,006,405		27,499,360
Cash, restricted cash, and cash equivalents, ending	\$	33,923,234	\$	43,207,718
Schedule of non-cash investing and capital and related financing activities				
Decrease in fair value of investments	\$	(343,539)	\$	(323,404)

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

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Business

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

Financial Reporting Entity

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

Criteria for determining if other entities are potential component units which should be reported within the Commission's financial statements are identified and described in the GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria 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.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Budgets and Budgetary Accounting (cont.)

The 2022 budget was approved by the Commission members on December 14, 2021. 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.

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, represent an acquisition of net assets 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, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Commission has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and recording of other post-employment benefits (OPEB). Certain changes in the net pension liability and OPEB, are recognized as pension expense, and employee benefit 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 and OPEB 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 and OPEB 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 or OPEB plan before year-end, but subsequent to the measurement date of the Commission's net pension liability and OPEB liability, are reported as deferred outflows of resources. This amount will reduce the net pension liability and the OPEB liability in the next fiscal year.

The Commission has deferred inflows of resources related to leases as accounted for in accordance with GASB Statement No. 87, *Leases*. Lease accounting under GASB Statement No. 87, *Leases* establishes a deferred inflow of resources, representing the present value of long-term lease payments expected to be received during a lease payment term, net of any prepayments received from lessees and lease incentives paid to lessees. At lease inception the Commission determines the present value of the lease receipts, based on the term and related discount rate. The calculated value of the lease receivable, from inception of the lease, is amortized on a straight-line basis over the term of the lease and recorded as a reduction of the deferred inflows of resources, and recognition of lease revenue during the period. Refer to Note 6 for additional disclosures relative to the Commission's leasing activities.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The Commission follows GASB Statement No. 72, "*Fair Value Measurement and Application*", which requires the Commission to categorize its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

The three levels of the fair value hierarchy defined by the topic are as follows:

Level 1 - Observable inputs that reflect unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The valuation method used may produce a fair value measurement that may not be indicative of ultimate realizable value.

Savannah Airport Commission

Notes to Financial Statements

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 Passenger Facility Charges, 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 \$5,000 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.

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

Lease Accounting

Revenue from terminal building space rentals and other leased sites is accounted for in accordance with GASB Statement No. 87, Leases. 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. Certain of the Commission's leases have non-cancellable lease terms and those are included in the calculation of the related lease receivable and deferred inflows of resources. Each of these leases conveys the right to use an identified asset, for which the Lessee has the right to use for a specified period of time in exchange for required payments. The Commission maintains signed lease agreements with each of their respective lessees. The Commission groups its leases for the purposes of disclosure into regulated leases, non-regulated leases, short-term leases, and nonmonetary leases.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Lease Accounting (cont.)

At the commencement of a lease, the Commission measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis. Key estimates and judgments related to leases include how the Commission determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The Commission uses the interest rate it is charging the lessee as the discount rate. When the lease agreement does not specify an interest rate to be charged, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the Commission is reasonably certain to receive. The Commission monitors changes in circumstances that would require a re-measurement of its leases and will remeasure the related lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Refer to Note 6 for additional disclosures relative to the Commission's leasing activities.

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.

For other postemployment benefits (OPEB), the Commission follows the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 75 details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

Effective January 1, 2019, newly hired employees are entered into a 401(a) profit-sharing plan and trust known as the Savannah Airport Commission Defined Contribution Plan (the Contribution Plan). Employees hired before the effective date are not eligible for the Contribution Plan, however they continue as participants in the Pension. The Contribution Plan requires mandatory contributions of 6% from both the employee and the Commission. Additionally, the Contribution Plan requires a mandatory annual contribution from the Commission for select employees.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

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”.

Revenue Recognition

The Commission recognizes revenue in accordance with Financial Accounting Standards Board (FASB) ASU 2014-09, Revenue from Contracts with Customers (ASC 606). The standard, applies to all entities that enter into contracts to provide goods or services to customers, requiring them to account for revenue from contracts with customers under a single five-step model.

The Commission recognizes revenues for landing fees, parking fees, mobility services, and ground transportation services in the month the service is provided to the customer. Certain other revenue include leasing agreements, interest amounts earned on cash balances, and returns on investments held which are recognized and recorded in accordance with applicable standards and based on the terms of the transaction, assuming collection of amounts is reasonably assured.

There are no significant judgments that impact the amount and timing of the revenue recognized.

Operating and Non-Operating Revenues and Expenses

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

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

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

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

Passenger Facility Charges

The Federal Aviation Administration (the FAA) authorized the Commission to impose a \$4.50 Passenger Facility Charge (PFC) on each enplaning passenger. These funds are restricted cash and must be used for Airport planning and development projects approved by the FAA or for bond-associated debt service and financing costs incurred on that portion of a bond issued to carry-out approved projects. The Commission accounts for passenger facility charges in 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 2022 and 2021 was \$7,521,835 and \$5,384,186, respectively. PFC reports to the FAA are based on actual collections and do not include accounts receivable. Such amounts collected in 2022 and 2021 are \$6,945,694 and \$5,246,427, respectively; and remaining collections unspent as of December 31, 2022 and 2021 are \$21,447,012 and \$16,159,856, respectively.

Customer Facility Charges

The Commission may require car rental companies to charge a Customer Facility Charge (CFC). The current CFC is \$3.00 per rental car contract day. These funds are presently considered restricted cash and have been used for Airport planning and development projects or other lawful uses agreed to by the majority of 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 2022 and 2021 was \$3,371,721 and \$2,810,375, 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 2022 and 2021 was \$94,392 and \$85,460, 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. In accordance with GASB Statement No. 33, which requires governments to recognize capital contributions to proprietary funds as revenues, the Commission recognizes such revenue as "Capital contributions" in the accompanying statements of revenue, expenses and changes in net position. Capital contribution revenue during 2022 and 2021, was \$23,007,244 and \$20,512,870, respectively.

Savannah Airport Commission

Notes to Financial Statements

1. Summary of Significant Accounting Policies (cont.)

Concentrations

For the years ended December 31, 2022 and 2021, the Commission's revenues from one customer, Delta Airlines, was approximately \$4.2 million and \$3.4 million, respectively. This represented a concentration risk as it comprised approximately 10% of total operating revenues in each of the respective years. Furthermore, the Commission receives a substantial amount of non-operating revenue in the form of federal and state grants. For the years ended December 31, 2022 and 2021, the Commission received \$23.0 million and \$20.5 million, respectively. These amounts represented 29% and 30% of total revenue, non-operating revenue, and capital contributions for the years ended December 31, 2022 and 2021, respectively.

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, 2022 and 2021 were \$4,198,562 and \$4,917,646, respectively.

Subsequent Events

Subsequent events have been evaluated and disclosed through June 29, 2023, 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.

Savannah Airport Commission

Notes to Financial Statements

2. Deposits and Investments (cont.)

At December 31, 2022, 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 Fixed Income: Certificates of Deposit (CD) and Treasuries	NR	\$ 112,474,456	\$ 107,453,456	\$ 5,021,000	\$ -	\$ -
Georgia Fund 1	AAA	1,823	1,823	-	-	-
Cash investments at financial institution	NR	-	-	-	-	-
		\$ 112,476,279	\$ 107,455,279	\$ 5,021,000	\$ -	\$ -

At December 31, 2021, 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 Fixed Income: Certificates of Deposit (CD) and Treasuries	NR	\$ 79,094,733	\$ 54,165,733	\$ 24,929,000	\$ -	\$ -
Georgia Fund 1	AAA	1,794	1,794	-	-	-
Cash investments at financial institution	NR	260	260	-	-	-
		\$ 79,096,787	\$ 54,167,787	\$ 24,929,000	\$ -	\$ -

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.

Savannah Airport Commission

Notes to Financial Statements

2. Deposits and Investments (cont.)

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.

Total deposits as of December 31, 2022:

Cash and cash equivalents	\$	2,916,829
Investments		112,476,279
Restricted cash and cash equivalents		31,006,405
	\$	146,399,513

Cash deposited with financial institutions	\$	33,923,234
Certificates of Deposit and U.S. Treasuries		112,476,279
	\$	146,399,513

3. Restricted Cash and Investments

Restricted cash consists of the following at December 31:

	2022	2021
Passenger facility charge fund	\$ 21,447,012	\$ 16,159,856
Customer facility charge fund	9,010,125	10,832,204
General aviation fund	549,268	507,300
	\$ 31,006,405	\$ 27,499,360

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, 2022 and 2021, as management, after evaluation of such accounts based upon historical collections and evaluation of individual customer credit, determined all accounts were considered collectible.

Savannah Airport Commission

Notes to Financial Statements

5. Capital Assets

Capital assets consist of the following at December 31, 2022:

	Total 2021	Increases/ Additions	Deletions/ Transfers	Total 2022
Capital assets, not being depreciated				
Land	\$ 10,669,398	\$ -	\$ -	\$ 10,669,398
Construction in progress	11,184,659	28,232,444	(8,440,664)	30,976,439
Total capital assets not being depreciated	21,854,057	28,232,444	(8,440,664)	41,645,837
Capital assets being depreciated				
Buildings and improvements	170,678,515	588,201	(25,458)	171,241,258
Runways, taxiways, and lights	105,214,189	7,783,108	-	112,997,297
Equipment	31,447,849	1,104,934	(159,946)	32,392,837
Access roads	29,480,497	-	-	29,480,497
Total capital assets being depreciated	336,821,050	9,476,243	(185,404)	346,111,889
Less accumulated depreciation for				
Buildings and improvements	108,476,549	6,415,164	-	114,891,713
Runways, taxiways, and lights	58,555,935	4,144,470	-	62,700,405
Equipment	17,399,636	1,786,296	(185,404)	19,000,528
Access roads	19,775,979	1,204,867	-	20,980,846
Total accumulated depreciation	204,208,099	13,550,797	(185,404)	217,573,492
Net capital assets	\$ 154,467,008	\$ 24,157,890	\$ (8,440,664)	\$ 170,184,234

Savannah Airport Commission

Notes to Financial Statements

5. Capital Assets (cont.)

Capital assets consist of the following at December 31, 2021:

	Total 2020	Increases/ Additions	Deletions/ Transfers	Total 2021
Capital assets not being depreciated				
Land	\$ 10,669,398	\$ -	\$ -	\$ 10,669,398
Construction in progress	5,955,107	10,627,890	(5,398,338)	11,184,659
Total capital assets not being depreciated	16,624,505	10,627,890	(5,398,338)	21,854,057
Capital assets being depreciated				
Buildings and improvements	168,424,641	2,253,874	-	170,678,515
Runways, taxiways, and lights	105,214,189	-	-	105,214,189
Equipment	31,348,858	460,412	(361,421)	31,447,849
Access roads	26,585,976	2,894,521	-	29,480,497
Total capital assets being depreciated	331,573,664	5,608,807	(361,421)	336,821,050
Less accumulated depreciation for				
Buildings and improvements	102,113,099	6,363,450	-	108,476,549
Runways, taxiways, and lights	54,414,708	4,141,227	-	58,555,935
Equipment	15,819,373	1,930,451	(350,188)	17,399,636
Access roads	18,836,443	939,536	-	19,775,979
Total accumulated depreciation	191,183,623	13,374,664	(350,188)	204,208,099
Net capital assets	\$ 157,014,546	\$ 2,862,033	\$ (5,409,571)	\$ 154,467,008

6. Lease Accounting

The Commission leases terminal space, land, buildings, and equipment, as lessor, under various lease agreements. For the purpose of GASB Statement No. 87 implementation, the Commission's leases have been categorized as follows:

1. Included
2. Excluded – Short-term leases
3. Excluded – Regulated leases
4. Excluded – Nonmonetary leases

Included Leases

In accordance with GASB Statement No. 87, the Commission recognizes a lease receivable and a deferred inflow of resources for leases the Commission categorized as included. For these leases, the Commission reported lease receivables of \$42,537,262 and \$43,604,172 for the years ended December 31, 2022 and 2021, respectively.

The leases held by the Commission do not have an implicit rate of return, therefore the Commission used its incremental borrowing rate of 3.25% to discount the leases receivable to the net present value. GASB Statement No. 87 included leases are summarized as follows:

Savannah Airport Commission

Notes to Financial Statements

6. Lease Accounting (cont.)

Included Leases (cont.)

Concessions

The Commission leases concession space located in the terminals. The terms of the concession lease agreements include a fixed revenue component or Minimum Annual Guarantee (MAG), and in some instances a variable component based on a percentage of gross revenues.

During the pandemic, the Commission waived the MAG on specific tenants due to government shutdowns, travel bans, and the reduction in passengers. This waiver was retroactively applied, beginning May 2020 and has been extended through December 2023, for specific tenants.

Real Estate

The Commission leases land for terms that range from 5 to 50 years. The terms of the real estate leases include a fixed revenue component based on acreage.

Rental Car

The Commission leases land and buildings for rental car services for various terms ranging 1 to 5 years. The terms of the fixed facility and ground-rental car leases include a fixed revenue component that is based on square footage for facility rent, acreage for ground rent, and MAG.

The terms of the facility and ground-rental car lease agreements include a variable revenue component based on a percentage of gross revenue.

Building

The Commission leases buildings and space located outside of the terminals for terms that range from 5 to 40 years. The terms of the buildings and space leases included a fixed revenue component based on square footage.

For the years ended December 31, 2022 and 2021, the Commission recognized lease-related inflows from lease revenue and interest revenue in the amount of approximately \$2,458,781 and \$2,490,827, respectively.

The Commission received \$12,450,245 of inflows related to variable rent receipts that are not included in the measurement of lease receivables.

Excluded - Short-Term Leases

In accordance with GASB Statement No. 87, the Commission does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Savannah Airport Commission

Notes to Financial Statements

6. Lease Accounting (cont.)

Excluded - Regulated Leases

The Commission is the lessor in certain leasing arrangements as defined by GASB Statement No. 87, paragraphs 42 and 43 as Regulated Leases. In accordance with GASB Statement No. 87, the Commission does not recognize a lease receivable and deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U. S. Department of Transportation and the Federal Aviation Administration. All regulated leases are between the Commission and air carriers or other aeronautical users and under the terms of the agreements the lessees have exclusive use of certain airport infrastructure. During the years ended December 31, 2022 and 2021, the Commission recognized revenues from regulated leases in the amount of \$3,189,506 and \$3,062,674, respectively. These leases are subject to renewal by the Commission via a Board ordinance.

Minimum future lease payments under regulated lease agreements as of December 31, 2022, are as follows:

<u>Year ended December 31,</u>		
2023	\$	3,162,883
2024		3,115,997
2025		392,178
2026		391,311
2027		294,657
2028 – 2032		623,997
2033 – 2037		336,345
<hr/>		
Total minimum future lease payments	\$	8,317,368

Excluded – Nonmonetary Leases

The Commission leases certain parcels of land to the government of the United States of America (the Government). The lease agreement states an annual required payment of \$1 from the Government to the Commission. In exchange for discounted rents, the Government provides the Commission with aircraft rescue and firefighting services. Accordingly, the Commission recorded in-kind rental revenue and in-kind emergency services expense totaling \$2,000,000 from the Government to reflect the fair value of the use of the premise and services provided. The lease automatically renews annually.

Savannah Airport Commission

Notes to Financial Statements

7. Construction Contract Commitments

The Commission has entered into contracts for construction. Status of such contracts as of December 31, 2022 are as follows:

	Project Authorization	Expended to Date	Balance on Contract	Required Further Financing
Rental Car Facility Improvements Southeast Quadrant Stormwater Drainage Improvements	\$ 5,596,485	\$ 5,247,563	\$ 348,922	None
Security Checkpoint Expansion	8,121,109	7,409,801	711,308	None
Demo Air Cargo/Construct SE Taxi Lane	19,655,000	1,693,991	17,961,009	None
Common Use Passenger Processing System	6,630,140	493,919	6,136,221	None
	409,009	195,651	213,358	None
	\$ 40,411,743	\$ 15,040,925	\$ 25,370,818	

8. Retirement Plans

Effective January 1, 2019, newly hired employees are entered into a 401(a) profit-sharing plan and trust known as the Savannah Airport Commission Defined Contribution Plan (the Contribution Plan). Employees hired before the effective date are not eligible for the Contribution Plan, however they continue as participants in the Pension. The Contribution Plan requires mandatory contributions of 6% from both the employee and the Commission. Additionally, the Contribution Plan requires a mandatory annual contribution from the Commission for select employees. The Commission incurred costs under the Contribution Plan of \$274,815 and \$157,345 during 2022 and 2021, respectively.

Effective January 1, 2019, select employees were entered into a 401(a) retirement plan, which requires a mandatory annual contribution of \$25,000 from the Commission.

9. Pension Plans

Plan Description

Permanent employees of the Commission, hired prior to January 1, 2019, participate in the City of Savannah Employees' Retirement Plan (the Plan). The Plan is a cost sharing 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, and Metropolitan Planning Commission. 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.)

Contributions

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, 2022 and 2021, the Commission's required contribution was \$912,142 and \$932,139, respectively. The contribution requirements of Plan members and the employers are established and may be amended by the Pension Board.

Plan Membership

At January 1, 2022, and 2021, pension plan membership including the commission and other employers consisted of the following:

	2022	2021
Retired members and beneficiaries currently receiving benefits	1,719	1,654
Vested terminated members entitled to but not yet receiving benefits	207	204
Active members	2,230	2,360
Total	4,156	4,218

Actuarial Assumptions

For 2022, 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, 2022, actuarial valuation using the projected unit credit actuarial method. The information and analysis used as of December 31, 2022 was measured by actuarial valuations as of January 1, 2022. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Net investment return	7.25%
Inflation	2.75%
Salary increases	Specific rates by age, varying from 3.50% to 5.50%, including inflation.
Mortality rates	<u>Pre-Retirement</u> : Pri-2012 Employee Amount-weighted Mortality Table: projected generationally with 60% of Scale SSA-2020. <u>Healthy Annuitants</u> : Pri-2012 Healthy Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020. <u>Disabled Annuitants</u> : Pri-2012 Disabled Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020.
Cost of living	5.00% at participant adjustment date, 1.00% annually thereafter.
Payroll growth	2.75%, used to amortize the unfunded actuarial accrued liability as a level percentage of payroll.

The information and analysis used as of December 31, 2022 was measured by actuarial valuations as of January 1, 2022.

Savannah Airport Commission

Notes to Financial Statements

9. Pension Plans (cont.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	40.00%	6.40%
International equity	12.50%	6.80%
Fixed income	20.00%	0.40%
Core real estate	5.00%	3.90%
Short-term	5.00%	-0.10%
Private equity (including non-core real estate)	10.00%	10.40%
Emerging markets	7.50%	8.50%
Total	100.00%	5.36%*

*Weighted average expected rate of return

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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 pension liability.

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, 2022, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportional share of net pension liability	\$ 8,984,017	\$ 3,850,665	\$ (421,111)

Savannah Airport Commission

Notes to Financial Statements

9. Pension Plans (cont.)

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

At December 31, 2022, the Commission reported a liability of \$3,850,665 for its proportionate share of the net pension liability. The net pension liability is measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2021, the Commission's proportion was 7.76%, which was a decrease of 0.55 from its proportion measured as of December 31, 2020.

At December 31, 2021, the Commission reported a liability of \$5,715,542 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the Commission's proportion was 8.31%, which was an increase of 1.76 from its proportion measured as of December 31, 2019.

At December 31, 2022, and 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,000,139	\$ 55,889	\$ 548,152	\$ 91,411
Changes in assumptions	211,426	53,509	339,955	114,716
Net difference between projected and actual earnings on pension plan investments	-	4,059,514	-	3,529,342
Change in proportionate share Employer contributions subsequent to the measurement date	836,637	1,435,151	1,237,616	1,508,800
	912,142	-	-	-
Total	\$ 2,960,344	\$ 5,604,063	\$ 2,125,723	\$ 5,244,269

For the year ended December 31, 2022 and 2021, the Commission recognized a pension benefit of \$495,426 and a pension benefit of \$59,322, respectively.

Savannah Airport Commission

Notes to Financial Statements

9. Pension Plans (cont.)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (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>		Outflows/(Inflows)
2023	\$	68,179
2024		(1,588,235)
2025		(686,642)
2026		(437,021)
2027 and thereafter		-
Total	\$	(2,643,719)

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.

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:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and short-term investments	\$ 110,372,108	\$ 110,372,108	\$ 69,876,145	\$ 69,876,145
Accounts receivable	\$ 3,237,081	\$ 3,237,081	\$ 8,013,409	\$ 8,013,409
Long-term investments	\$ 5,021,000	\$ 5,021,000	\$ 24,929,000	\$ 24,929,000
Leases receivable –financing leases	\$ 335,108	\$ 350,337	\$ 398,615	\$ 444,188
Accounts payable and accrued expenses	\$ 5,793,684	\$ 5,793,684	\$ 2,580,303	\$ 2,580,303

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

The Commission has OPEB plans that cover employees during retirement. Historically, the Commission was involved in the City of Savannah Benefit Plan. Employees retiring before July 1, 2012 were participants in the City of Savannah Benefit Plan. Beginning July 1, 2012, the Commission left the City's OPEB plan for new retirees as they are retained on the Commission's insurance and covered along with active employees. For both plans, when an employee reaches 65, they are removed from the plan and the Commission pays a portion of their Medicare expenses.

These plans are described as follows:

City of Savannah Employee Benefit Plan

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" or the "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 provides members, upon eligible retirement, with healthcare insurance and life insurance benefits. The benefits provided are not guaranteed and are subject to change at any time. In addition, the benefit provisions are subject to annual appropriation of funds by the City's Mayor and Alderman. The Plan does not provide for automatic or ad hoc postretirement benefit increases; however, the benefit provisions provided by the Plan may be amended, established or terminated at any time by a vote of the City's Mayor and Alderman. The Plan Document specifies the types and levels of Plan benefits as well as member contribution requirements. The City of Savannah provides administration of the Plan, including setting funding policies, and reports the Plan as a fiduciary fund in its Annual Comprehensive Financial Report.

Savannah Airport Commission

Notes to Financial Statements

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

City of Savannah Employee Benefit Plan (cont.)

Eligibility

The Plan covers both general and uniform employees of the participating employers. As of December 31, 2022, and 2021, employee membership data related to the City of Savannah OPEB Plan was as follows:

	2022	2021
Retirees and beneficiaries currently receiving benefits	1,369	1,355
Active members	2,201	2,192
Total	3,570	3,547

Contribution 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 0.85% of annual covered payroll.

Net OPEB Liability

The Commission's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

Savannah Airport Commission

Notes to Financial Statements

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

City of Savannah Employee Benefit Plan (cont.)

Changes in the Net OPEB Liability

Changes in the Commission's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at December 31, 2021	\$ 725,770	\$ -	\$ 725,770
Changes for the year			
Interest	14,626	-	14,626
Difference between expected and actual experience	27,684	-	27,684
Contributions – employer	-	71,773	(71,773)
Change of assumptions	(32,353)	-	(32,353)
Benefit payments	(71,773)	(71,773)	-
Net changes	(61,816)	-	(61,816)
Balances at December 31, 2022	\$ 663,954	\$ -	\$ 663,954

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Specific rates by age, varying from 5.50% to 3.50%, including inflation.
Discount rate	7.00% for City of Savannah and Youth Futures. 2.06% for Savannah Airport Commission and Metropolitan Planning Commission.
Healthcare costs trend rates	
Medical	Pre-65: Initial rate is 6.00%, trending down to 4.50% over 6 years. Post-65: Initial rate is 5.00%, trending down to 4.50% over 2 years.
Prescription drug	Initial rate is 7.50%, trending down to 4.50% over 12 years.
Administrative costs	3.00%
Mortality rates	<u>Pre-Retirement</u> : Pri-2012 Amount-weighted Employee Mortality Table, projected generationally using a modified version of the SSA2020 improvement scale. <u>Healthy Annuitants</u> : Pri-2012 Amount-weighted Healthy Retiree Mortality Table, set forward six years for males and three years for females, projected generationally using a modified version of the SSA2020 improvement scale.

Many of the demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, percent married and relative ages of spouses) are the same as used in the City of Savannah Employees' Retirement Plan's Actuarial Valuation and Review as of January 1, 2021, dated July 29, 2021, completed by Segal Consulting.

Savannah Airport Commission

Notes to Financial Statements

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

City of Savannah Employee Benefit Plan (cont.)

Actuarial Methods and Assumptions (cont.)

The remaining demographic assumptions, such as enrollment elections, were based on the experience of the OPEB Plan.

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.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	51.30%	6.40%
International equity	9.20%	6.80%
Core fixed income	9.60%	0.40%
High yield fixed income	17.50%	2.60%
Real estate	11.40%	3.90%
Cash & Short term	1.00%	0.00%
<u>Total</u>	<u>100.00%</u>	<u>4.85%*</u>

*Weighted average expected rate of return

Nature of assets: The assets are maintained in an irrevocable Trust dedicated to OPEB.

Discount Rate

The discount rate used to measure the total OPEB liability for the City of Savannah and Youth Futures was 7.00% as of December 31, 2021 and December 31, 2020 respectively. The other employers including the commission do not fund and so are valued at the 20-year, general obligation, municipal bond index rate of 2.06%. The projection of cash flow used to determine the discount rate assumed that the contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Savannah Airport Commission

Notes to Financial Statements

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

City of Savannah Employee Benefit Plan (cont.)

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

The following presents the Commission's proportionate share of the net OPEB liability, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Net OPEB liability	<u>\$ 786,840</u>	<u>\$ 663,954</u>	<u>567,598</u>

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

The following presents the Commission's proportionate share of the net OPEB liability, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.00% decreasing to 3.50%) or 1 percentage point higher (7.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (6.00% decreasing to 4.50%)	1% Increase (7.00% decreasing to 5.50%)
Net OPEB liability	<u>\$ 579,850</u>	<u>\$ 663,954</u>	<u>\$ 770,210</u>

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

For the years ended December 31, 2022, and 2021, the Commission recognized OPEB expense of \$9,957 and OPEB benefit of \$468,996, respectively. At December 31, 2022, and 2021, the Commission was not allocated deferred outflows of resources or deferred inflows of resources related to the City's OPEB. The Commission was also not allocated future deferred outflows of resources or deferred inflow of resources related to the City's OPEB. Additionally, there were no significant employer contributions subsequent to the measurement date.

Savannah Airport Commission

Notes to Financial Statements

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

Savannah Hilton Head International Airport Retiree Medical Plan

Plan Description

Savannah Hilton Head International Airport Retiree Medical Plan (the Plan) is a single employer plan established and is administered by the Commission. The Plan provides medical and life insurance benefits to its retirees, and can be amended by the Commission at its discretion. Membership in the Plan is voluntary. The Plan does not issue a stand-alone financial report.

The Plan provides members, upon eligible retirement, with healthcare insurance and life insurance benefits. The benefits provided are not guaranteed and are subject to change at any time. The Plan does not provide for automatic or ad hoc postretirement benefit increases; however, the benefit provisions provided by the Plan may be amended, established or terminated at any time by the Commission. The Plan Document specifies the types and levels of Plan benefits as well as member contribution requirements. The Commission provides administration of the Plan, including setting funding policies.

Eligibility

To be eligible for post-retirement medical coverage, Airport employees must meet retirement age, have been employed by the Commission for ten consecutive years, and elect to continue medical coverage by paying the applicable monthly premium. As of December 31, 2022, and 2021, employee membership data related to the Commission's OPEB Plan was as follows:

	2022	2021
Retirees and beneficiaries currently receiving benefits	27	14
Active members	169	183
Total	196	197

Contribution Policy

Active plan members are currently not obligated to make contributions to the Plan. The Commission does not pre-fund the Plan. Implicit retiree costs covered by active health payments can be counted as plan contributions. The Savannah Airport Commission has the authority to establish and amend the obligations of the Commission and plan members to contribute to the Plan.

The Savannah Airport Commission is recommended 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 1.2% of annual covered payroll.

Net OPEB Liability

The Commission's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Savannah Airport Commission

Notes to Financial Statements

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

Savannah Hilton Head International Airport Retiree Medical Plan (cont.)

Changes in the Net OPEB Liability

Changes in the Commission's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at December 31, 2021	\$ 11,105,550	\$ -	\$ 11,105,550
Changes for the year:			
Service cost	555,762	-	555,762
Interest	245,796	-	245,796
Difference between expected and actual experience	238,110	-	238,110
Contributions – employer	-	134,307	(134,307)
Change of assumptions	(2,709,985)	-	(2,709,985)
Benefit payments	(134,307)	(134,307)	-
Net changes	(1,804,624)	-	(1,804,624)
Balances at December 31, 2022	\$ 9,300,926	\$ -	\$ 9,300,926

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	N/A; the plan is not pre-funded
Salary increases	4.0% (for purpose of allocating liability)
Discount rate	4.31%
Healthcare costs trend rates	
Medical premiums	Pre-Medicare: 0% in the first year, followed by 7.25% graded down to 4.50% by 0.25% per year. Post-Medicare: 5.5% graded down to 4.50% by 0.25% per year.
Mortality rates	Public General 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	MP-2021

Many of the demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, percent married and relative ages of spouses) are set to be consistent with those used in the City of Savannah Employees' Retirement Plan's Actuarial Valuation and Review. The remaining demographic assumptions, such as enrollment elections, were based on the experience of the OPEB Plan.

Savannah Airport Commission

Notes to Financial Statements

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

Savannah Hilton Head International Airport Retiree Medical Plan (cont.)

Actuarial Methods and Assumptions (cont.)

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.

The long-term expected rate of return on OPEB plan investments, target allocations, and projected arithmetic real rates of return for each major asset class were not available as the Plan is not currently funded.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.31%. The projection of cash flows used to determine the discount rate assumed that there will be no Employer contributions made. Based on those assumptions, the Plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current Plan participants. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. The discount rate used as of December 31, 2021 was 2.12.%

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

The following presents the net OPEB liability of the Commission, calculated using a discount rate 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Net OPEB liability	<u>\$ 10,430,853</u>	<u>\$ 9,300,926</u>	<u>\$ 8,047,521</u>

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

The following presents the net OPEB liability of the Commission, as well as what the Commission's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.50% by 0.25% per year) or 1 percentage point higher (8.25% decreasing to 5.50% by 0.25% per year) than the current healthcare cost trend rates:

Savannah Airport Commission

Notes to Financial Statements

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

Savannah Hilton Head International Airport Retiree Medical Plan (cont.)

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

	1% Decrease (6.25% graded by 0.25% per year)	Healthcare Cost Trend Rates (7.25% decreasing by 0.25% per year)	1% Increase (8.25% graded by 0.25% per year)
Net OPEB liability	\$ 7,823,628	\$ 9,300,926	\$ 10,758,282

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

For the year ended December 31, 2022, the Commission recognized OPEB expense of \$405,953. At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 200,305	\$ 12,413
Changes in assumptions	2,741,216	2,137,049
Total	\$ 2,941,521	\$ 2,149,462

For the year ended December 31, 2021, the Commission recognized OPEB expense of \$1,043,814. At December 31, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,852	\$ 13,726
Changes in assumptions	3,030,650	-
Total	\$ 3,044,502	\$ 13,726

Savannah Airport Commission

Notes to Financial Statements

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

Savannah Hilton Head International Airport Retiree Medical Plan (cont.)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont.)

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows (note that there were no significant employer contributions subsequent to the measurement date):

<u>Year ended December 31,</u>		<u>Outflows/(Inflows)</u>
2023	\$	28,140
2024		28,140
2025		28,140
2026		28,140
2027		28,140
Thereafter		651,359
Total	\$	792,059

13. CARES Act Grant Agreements

In April of 2020, under the US Department of Transportation Federal Aviation Administration, the Commission received a CARES Act Airport Grant. Based on the terms of the agreement, the Commission is entitled to receive up to \$26,824,077 in total support on a cost-reimbursement arrangement over a period of 4 years from the date the agreement is signed. During the years ended December 31, 2021 and 2020, the Commission expensed \$17,238,863 and \$9,585,214 respectively, of allowable reimbursable costs under the arrangement. The Commission received reimbursement grant payments for all amounts. As of December 31, 2021, the Commission used all available reimbursable funds under the grant agreement.

In April of 2021, the Commission received grant awards under the Airport Coronavirus Relief Grant Program (ACRGP) of \$5,302,901 in total support in cost-reimbursement arrangements over a period of 4 years from the date the agreements were signed. During the year ended December 31, 2022, the Commission expensed \$5,302,901 of allowable reimbursable costs under the arrangement. The Commission received reimbursement grant payments for all amounts. As of December 31, 2022, the Commission used all available reimbursable funds under the grant agreement.

In November of 2021, the Commission received a grant award under the Airport Rescue Grant (ARPA) of \$11,693,915 in total support on a cost-reimbursement arrangement over a period of 4 years from the date the agreement is signed. During the year ended December 31, 2022, the Commission expensed \$4,243,209 of allowable reimbursable costs under the arrangement and received reimbursement grant payments for such expenses of \$4,243,209. As of the balance sheet date, the Commission has \$7,450,706 available in future reimbursable funds under the grant agreement.

In December of 2021, the Commission received a grant award under the Concessions Rent Relief Airport Rescue Grant Agreement of \$1,251,941 in total support on a cost-reimbursement arrangement over a period of 4 years from the date the agreement is signed. No amounts from this award were expended during the years ended December 31, 2022 and 2021.

Savannah Airport Commission

Notes to Financial Statements

14. Change in Accounting Principles and Restatement

In 2022, the Commission implemented GASB Statement No. 87, Leases, resulting in a restatement of the Commission's beginning net position as of January 1, 2021. As part of the adoption, the related disclosure requirements were modified. The implementation of GASB Statement No. 87 requires retroactive implementation to the earliest period presented in the comparative financial statements, during the year of implementation.

The implementation of GASB Statement No. 87 had the following effect on net position as reported January 1, 2021:

Net position January 1, 2021, as previously reported	\$ 240,566,840
Change in accounting principle due to implementation of GASB Statement No. 87	
Lease receivable as of December 31, 2020	44,176,917
Deferred inflow of resources – lease receipts	(38,811,429)
<hr/>	
Net position, as restated at January 1, 2021	\$ 245,932,328

Savannah Airport Commission

Financial Section

- **Required Supplementary Information**
 - **Schedule of the Commission's Proportionate Share of the Net Pension Liability**
 - **Schedule of Contributions**
 - **Schedule of the Commission's Changes in Net OPEB Liability**
 - **Schedule of Investment Returns**
 - **Schedule of Employer Contributions – City of Savannah OPEB**
 - **Schedule of Employer Contributions – SAC OPEB**
 - **Schedule of Changes in Net OPEB Liability**



Savannah Airport Commission

Required Supplementary Information

Savannah Airport Commission Required Supplementary Information City of Savannah Employees' Retirement Plan Schedule of the Commission's Proportionate Share of the Net Pension Liability						
Fiscal Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ⁽¹⁾	Net Pension Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	
2015	7.66%	\$ 8,226,511	\$ 7,748,488	106.17%	75.32%	
2016	8.71%	\$ 9,556,610	\$ 8,600,853	111.11%	75.92%	
2017	8.68%	\$ 7,495,251	\$ 9,238,292	81.13%	81.75%	
2018	9.10%	\$ 12,361,102	\$ 9,832,973	125.71%	72.76%	
2019	10.07%	\$ 9,341,643	\$ 9,462,409	98.72%	81.93%	
2020	8.31%	\$ 5,715,542	\$ 9,509,542	60.10%	87.20%	
2021	7.76%	\$ 3,850,665	\$ 8,970,283	42.93%	91.19%	

Note: This information is not readily available for 10 years.

⁽¹⁾ Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

Savannah Airport Commission

Required Supplementary Information

Savannah Airport Commission
Required Supplementary Information
City of Savannah Employees' Retirement Plan
Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Payroll ⁽¹⁾	Contributions Recognized by the Plan as a % of Covered Payroll
2018	\$ 940,290	\$ 940,290	\$ -	\$ 9,832,973	9.56%
2019	\$ 1,071,737	\$ 1,071,737	\$ -	\$ 9,462,409	11.33%
2020	\$ 934,631	\$ 934,631	\$ -	\$ 9,509,542	9.83%
2021	\$ 932,139	\$ 932,139	\$ -	\$ 8,970,283	10.39%
2022	\$ 912,142	\$ 912,142	\$ -	\$ 8,804,459	10.36%

Note: This information is not readily available for 10 years.

⁽¹⁾ Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

Savannah Airport Commission

Required Supplementary Information

**Savannah Airport Commission
Required Supplementary Information
City of Savannah Other Post Employment Benefit Plan
Schedule of the Commission's Changes in Net OPEB Liability**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability				
Interest	\$ 14,626	\$ 34,132	\$ 56,303	\$ 62,941
Differences between expected and actual experience	27,684	(489,683)	86,721	(144,751)
Changes of assumptions	(32,353)	(13,445)	(168,685)	(271,576)
Benefit payments, including refunds of member contributions	(71,773)	(101,882)	(101,882)	(104,233)
Net change in Total OPEB Liability	(61,816)	(570,878)	(127,543)	(457,619)
Total OPEB Liability - beginning	725,770	1,296,648	1,424,191	1,881,810
(a) Total OPEB Liability - ending	663,954	725,770	1,296,648	1,424,191
Plan fiduciary net position				
Contributions - employer	71,773	101,882	101,882	104,233
Benefit payments, including refunds of member contributions	(71,773)	(101,882)	(101,882)	(104,233)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
(b) Plan fiduciary net position - ending	-	-	-	-
(c) Net OPEB Liability - ending (a) - (b)	\$ 663,954	\$ 725,770	\$ 1,296,648	\$ 1,424,191
Plan fiduciary net position as a percentage of the Total OPEB Liability	0%	0%	0%	0%
Covered employee payroll¹	\$ -	\$ -	\$ -	\$ -
Plan Net OPEB Liability as percentage of covered employee payroll	N/A	N/A	N/A	N/A

Note: This information is not readily available for 10 years.

Notes to Schedule:

Benefit changes: None

⁽¹⁾ Covered employee payroll represents compensation earnable and pensionable compensation.

Change of assumptions:

- Per capita health costs and prescription drug trend rates were updated to reflect experience and future expectations.

- The discount rate effective December 31, 2021 for the unfunded groups was lowered to 2.06%.

- The participation rate for spouses was lowered from 70% to 60%

- On July 15, 2020 the Board of Trustees voted to change the following assumptions as part of the experience study for the five-year period, from January 1, 2015 - December 31, 2019:

- ◆ Inflation and payroll growth lowered from 3.00% to 2.75%.

- ◆ Salary scale changed to service based rates; 5.50% for the first 5 years, 3.50% thereafter.

- ◆ RP-2014 mortality tables changed to Pri-2012 amount-weighted mortality tables.

- ◆ Mortality improvement changed to generational projections with 60% of Scale SSA-2020, instead of projected generationally with a modified version of Scale MP-2014.

- ◆ Turnover rates kept separate age-based rates for General and Uniform employees, but removed the additional rates during first five years of service; rates zero out at each group's Normal Retirement Age.

- ◆ Disability rates changed from separate age-based rates to one set of age-based rates for all employees; rates set to 44% of previous General rates.

- ◆ Retirement rate schedules for General and Uniformed Employees have each been updated, but it is still assumed that there is 100% retirement at age 75 for General Employees and 100% retirement at age 65 for Uniform employees.

Savannah Airport Commission

Required Supplementary Information

**Savannah Airport Commission
Required Supplementary Information
City of Savannah Other Post Employment Benefit Plan
Schedule of Investment Returns***

<u>Year Ended December 31,</u>	<u>Annual Money-weighted Rate of Return</u>
2017	16.20%
2018	-3.20%
2019	21.40%
2020	16.10%
2021	15.00%

* This information is presented for the City of Savannah Other Post Employment Benefit Plan as a whole, for which the Commission is a participant.

Note: This information is not readily available for 10 years.

Savannah Airport Commission

Required Supplementary Information

Savannah Airport Commission
Required Supplementary Information
City of Savannah Other Post Employment Benefit Plan
Schedule of Employer Contributions

Year Ended December 31,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/(Excess)	Covered Employee Payroll	Annual Money- weighted Rate of Return
2016	\$ 115,423	\$ 109,340	\$ 6,083	-	N/A
2017	\$ 99,569	\$ 107,955	\$ (8,386)	-	N/A
2018	\$ 104,233	\$ 104,233	-	-	N/A
2019	\$ 101,882	\$ 101,882	-	-	N/A
2020	\$ 101,882	\$ 101,882	-	-	N/A
2021	\$ 71,773	\$ 71,773	-	-	N/A
2022	\$ -	\$ -	\$ -	-	N/A

Note: This information is not readily available for 10 years.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

<i>Valuation date</i>	December 31, 2020
<i>Measurement date</i>	December 31, 2021
<i>Actuarial cost method</i>	Entry Age Normal Level Percent of Pay
<i>Asset valuation method</i>	Market Value
<i>Remaining amortization period</i>	16 years remain as of December 31, 2020
<i>Amortization method</i>	30 years closed, level percent of pay

Savannah Airport Commission

Required Supplementary Information

Savannah Airport Commission
Required Supplementary Information
Savannah Hilton Head International Airport Retiree Medical Plan
Schedule of Employer Contributions

Year Ended December 31,	Service Cost (End of Year)	Amortization of Unfunded Liability	Actuarially Determined Employer Contributions (ADC)	Employer Contribution	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contributi on as a % of Covered Payroll	ADC as a % of Covered Payroll
2019	\$ 384,468	\$ 452,466	\$ 836,934	\$ (62,417)	\$ 774,517	\$ 12,021,685	0.52%	6.96%
2020	\$ 532,808	\$ 674,060	\$ 1,206,868	\$ (120,603)	\$ 1,086,265	\$ 11,603,764	1.04%	10.40%
2021	\$ 555,762	\$ 839,963	\$ 1,395,725	\$ (134,307)	\$ 1,261,418	\$ 11,414,366	1.18%	12.23%
2022	\$ 539,522	\$ 845,036	\$ 1,384,558	\$ (115,887)	\$ 1,268,671	\$ 12,686,330	0.91%	10.91%

Note: This information is not readily available for 10 years.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

<i>Valuation date</i>	December 31, 2021
<i>Measurement date</i>	December 31, 2021
<i>Reporting date</i>	December 31, 2022
<i>Actuarial cost method</i>	Entry Age Normal (level percent of compensation)
<i>Amortization for contribution</i>	Level percent, closed
<i>Asset valuation method</i>	N/A; plan is not pre-funded

Savannah Airport Commission

Required Supplementary Information

Savannah Airport Commission Required Supplementary Information Savannah Hilton Head International Airport Retiree Medical Plan Schedule of Changes in Net OPEB Liability			
	2022	2021	2020
Total OPEB Liability			
Service Cost	\$ 555,762	\$ 518,598	\$ 369,326
Interest	245,796	268,414	262,274
Differences between expected and actual experience	238,110	16,486	(17,665)
Changes of assumptions	(2,709,985)	1,084,858	2,727,444
Benefit payments, including refunds of member contributions	(134,307)	(120,603)	(62,417)
Net change in Total OPEB Liability	(1,804,624)	1,767,753	3,278,962
Total OPEB Liability - beginning	11,105,550	9,337,797	6,058,835
(a) Total OPEB Liability - ending	9,300,926	11,105,550	9,337,797
Plan fiduciary net position			
Contributions - employer	134,307	120,603	62,417
Benefit payments, including refunds of member contributions	(134,307)	(120,603)	(62,417)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
(b) Plan Fiduciary Net Position - ending	-	-	-
(c) Net OPEB Liability - ending (a) - (b)	\$ 9,300,926	\$ 11,105,550	\$ 9,337,797
Plan fiduciary net position as a percentage of the Total OPEB Liability	0%	0%	0%
Covered employee payroll	\$ 11,414,366	\$ 11,603,764	\$ 12,021,685
Plan Net OPEB Liability as percentage of covered employee payroll	81.48%	95.71%	77.67%

Note: This information is not readily available for 10 years.

Notes to Schedule:

Benefit changes: None

Change of assumptions:

- Mortality improvement scale updated
- Trend rates updated
- Salary scale updated from seniority adjustment rates to 4.0%
- Discount rate changed from 2.12% to 4.31%
- Valuation date changed from January 1 to December 31
- Retirement rates updated

Savannah Airport Commission

Financial Section

- **Other Supplementary Information**
 - Schedules of Net Airfield Operations
 - Schedules of Net Terminal Operations
 - Schedules of Net Airport Business Center Operations
 - Schedules of Net Public Safety and Federal Inspection Station (FIS) 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

Schedule of Net Airfield Operations

<i>Years ended December 31,</i>	2022	2021
Airfield income		
Landing fees	\$ 5,508,064	\$ 4,928,526
Fuel flow fees	189,726	166,442
Usage charges	187,855	179,062
Fuel farm fees	416,109	381,635
	6,301,754	5,655,665
Airfield expenses		
General	2,488,425	2,421,775
Buildings	3,151	13,872
Grounds	466,120	443,113
Equipment	194,517	116,704
Runway	154,792	101,833
Janitorial	703	459
Fuel farm expenses	446,316	381,319
Utilities	65,210	67,574
Total expense excluding depreciation	3,819,234	3,546,649
Depreciation	3,674,971	3,704,758
Total expenses	7,494,205	7,251,407
Net airfield loss	\$ (1,192,451)	\$ (1,595,742)

See independent auditor's report.

Savannah Airport Commission

Schedule of Net Terminal Operations

<i>Years ended December 31,</i>	2022	2021
Terminal income		
Car rentals	\$ 7,520,320	\$ 6,680,615
Airlines	6,395,976	6,471,779
Ground transportation	694,201	470,150
Gift shop	1,167,918	916,338
Restaurant	1,398,383	691,074
Space rental	517,848	370,277
Advertising	533,864	395,172
Telephone	28,849	27,569
Vending	22,716	35,270
Mini mall	6,125	7,088
Business center	33,000	33,000
Miscellaneous	57,091	1,296
Common charge/ticket checkers	726,881	632,869
	19,103,172	16,732,497
Terminal expenses		
General	2,890,962	2,938,112
Buildings	2,313,943	2,142,269
Grounds	27,867	32,703
Janitorial	1,079,590	946,294
Equipment	379,019	320,335
Utilities	889,339	840,768
Advertising	111,109	101,529
Passport club	109,331	82,581
Visitors center	502,024	429,380
Ticket checkers/shuttle driver	1,426,088	1,241,459
Ground trans starters	340,118	235,504
Ops center	121,103	120,547
Total expense excluding depreciation	10,190,493	9,431,481
Depreciation	4,701,258	4,710,497
Total expenses	14,891,751	14,141,978
Net terminal income	\$ 4,211,421	\$ 2,590,519

See independent auditor's report.

Savannah Airport Commission

Schedule of Net Airport Business Center Operations

<i>Years ended December 31,</i>	2022	2021
Airport business center expenses		
General	\$ -	\$ 11
Utilities	13,908	10,086
Total expense excluding depreciation	13,908	10,097
Depreciation	-	243
Total expense	13,908	10,340
Net airport business center loss	\$ (13,908)	\$ (10,340)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Public Safety and Federal Inspection Station (FIS) Operations

<i>Years ended December 31,</i>	2022	2021
Public safety expenses		
General	\$ 3,560,914	\$ 3,016,734
Buildings	47,555	7,583
Equipment	71,492	21,702
Total expense excluding depreciation	3,679,961	3,046,019
Depreciation	192,963	231,266
Total expense	3,872,924	3,277,285
Net public safety loss	\$ (3,872,924)	\$ (3,277,285)
FIS facility expenses		
Buildings	\$ 12,877	\$ 4,977
Utilities	51,404	47,994
General	23,767	28,021
Total expense excluding depreciation	88,048	80,992
Depreciation	502,887	502,888
Total expense	590,935	583,880
Net FIS facility loss	\$ (590,935)	\$ (583,880)

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Commercial Aviation Operations

<i>Years ended December 31,</i>	2022	2021
Commercial aviation income		
Fixed base operators	\$ 657,530	\$ 611,213
Air cargo building	279,880	312,026
Land lease	1,013,777	1,021,174
Airline freight facility	151,258	90,337
AvGas	37,167	62,533
	2,139,612	2,097,283
Commercial aviation expenses		
General	13,021	14,183
Buildings	3,019	426
Utilities	95,985	86,727
Ground support	1,350	16,491
Apron	1,535	-
Fuel farm	41,697	41,915
Total expense excluding depreciation	156,607	159,742
Depreciation	410,149	377,816
Total expense	566,756	537,558
Net commercial aviation income	\$ 1,572,856	\$ 1,559,725

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Apron and Parking Operations

<i>Years ended December 31,</i>	2022	2021
Apron income		
Airline fixed payments	\$ 80,401	\$ 81,675
Apron expenses		
General	1,068	150
Maintenance	22,328	3,484
Utilities	9,984	9,266
<hr/>		
Total expense excluding depreciation	33,380	12,900
Depreciation	890,869	891,112
<hr/>		
Total expense	924,249	904,012
<hr/>		
Net apron loss	\$ (843,848)	\$ (822,337)
<hr/>		
Parking income		
Parking	\$ 11,321,792	\$ 7,163,517
Parking expenses		
General	1,682,221	1,600,511
Buildings	198,716	46,650
Equipment	139,133	1,193
Grounds	13,588	10,112
Utilities	139,652	133,761
<hr/>		
Total expense excluding depreciation	2,173,310	1,792,227
Depreciation	2,077,954	1,818,048
<hr/>		
Total expense	4,251,264	3,610,275
<hr/>		
Net parking income	\$ 7,070,528	\$ 3,553,242
<hr/>		

See independent auditor's report.

Savannah Airport Commission

Schedules of Net Non-Aviation Operations

<i>Years ended December 31,</i>	2022	2021
Non-aviation income		
Land leases	\$ 1,041,723	\$ 1,011,779
Space rental	111,093	108,446
Motel	2,177,859	1,789,833
Industrial park	-	4,800
Food and beverage	37,861	34,584
Miscellaneous	1,400	2,700
	3,369,936	2,952,142
Non-aviation expenses		
General	222,798	205,134
Buildings	16,542	4,978
Grounds	606,815	582,527
Equipment	139,885	85,877
Utilities	115,701	110,487
Total expense excluding depreciation	1,101,741	989,003
Depreciation	980,473	994,707
Total expense	2,082,214	1,983,710
Net non-aviation income	\$ 1,287,722	\$ 968,432

See independent auditor's report.

Savannah Airport Commission

Schedules of Administrative Expenses

<i>Years ended December 31,</i>	2022	2021
Salaries	\$ 3,175,974	\$ 2,810,300
Employee benefits	920,376	987,781
Contract labor	-	1,323
Marketing	4,196,305	4,845,612
Professional fees	722,001	747,860
Miscellaneous	491,265	506,979
Dues, travel, and meetings	531,562	364,877
Office supplies and postage	742,956	486,938
Telephone	153,317	90,008
Insurance	373,070	324,396
Equipment rental and service contracts	191,234	149,913
Printing and advertising	12,564	1,552
Total expense excluding depreciation	11,510,624	11,317,539
Depreciation	119,273	143,329
Total expense	\$ 11,629,897	\$ 11,460,868

See independent auditor's report.

Savannah Airport Commission

Statistical Section (Unaudited)

- Total Annual Revenues, Expenses, and Changes in Net Position
- Major Employers in Primary Air Trade Area
- Revenue Bond Coverage
- Ratios of Outstanding Debt
- Demographic Statistics
- Industry Specific Trend Data
- Airline Landed Weights
- Enplaned Passengers
- Aircraft Operations
- Airlines Serving the Savannah/Hilton Head International Area
- Principal Customers
- Miscellaneous Statistical Information



Savannah Airport Commission

Statistical Section (Unaudited)

This part of the Savannah Airport Commission's annual comprehensive 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.

Savannah Airport Commission

Total Annual Revenues, Expenses, and Changes in Net Position

<i>Years ended December 31,</i>	2013*	2014	2015	2016	2017*
Operating revenues					
Airfield	\$ 3,104,566	\$ 3,257,492	\$ 3,430,523	\$ 4,092,314	\$ 4,741,605
Terminal	11,449,988	11,965,612	12,378,721	13,225,485	14,097,691
Airport business center	228,817	212,094	146,878	4,200	5,000
Commercial aviation	2,103,115	2,216,288	2,229,309	2,239,342	2,342,588
Apron	55,048	54,381	60,231	59,651	70,879
Parking	5,260,004	6,018,305	6,508,913	7,023,629	7,704,652
Non-aviation	2,472,968	2,713,210	3,106,677	3,241,826	3,028,981
Total operating revenues	24,674,506	26,437,382	27,861,252	29,886,447	31,991,396
Operating expenses					
Airfield	1,631,526	1,905,637	2,146,532	2,332,494	2,219,609
Terminal	8,499,325	9,094,306	9,449,322	10,696,443	10,654,133
Airport business center	274,554	140,603	85,877	63,253	74,964
Commercial aviation	237,942	261,441	158,716	258,360	149,683
Apron	27,066	24,547	26,691	14,664	7,121
Parking	1,452,052	1,369,561	1,337,464	1,535,639	1,453,209
Non-aviation	689,325	1,110,988	1,028,223	1,167,691	1,079,432
Public safety	-	-	-	-	-
FIS facility	-	-	-	-	-
Administrative expenses	4,827,543	5,751,582	7,664,600	7,221,902	7,373,924
Depreciation	10,306,897	9,969,695	11,202,854	11,329,228	11,878,166
Total operating expenses	27,946,230	29,628,360	33,100,279	34,619,674	34,890,241
Operating loss	(3,271,724)	(3,190,978)	(5,239,027)	(4,733,227)	(2,898,845)
Non-operating revenues (expenses)					
Passenger facility charges	3,073,621	3,640,888	3,902,443	4,208,795	4,863,617
Customer facility charges	548,616	611,273	658,964	694,209	732,738
General aviation charges	77,196	79,130	87,267	88,364	100,030
Savannah aviation village fund charges	10,500	-	-	-	-
In-kind rents	-	-	-	-	-
Investment revenue	-	-	-	-	-
Interest revenue	487,125	319,351	404,423	499,415	903,020
Interest expense	(442,838)	(345,038)	(260,600)	(125,349)	-
Bond issuance cost amortization	-	-	-	-	-
Bond premium amortization	248,182	248,182	136,380	136,380	-
Loss on bond refunding	(149,932)	(149,932)	(50,524)	(28,837)	6,401
Net increase (decrease) in the fair value of investments	(121,987)	(45,893)	23,651	51,447	(178,827)
Recovery of bad debt	-	-	-	-	-
Gain (loss) on disposal of capital assets	84,596	11,297	8,664	59,481	-
Total non-operating revenues	3,815,079	4,369,258	4,910,668	5,583,905	6,426,979
Income (loss) before capital contributions	543,355	1,178,280	(328,359)	850,678	3,528,134
Capital contributions	5,580,020	5,932,857	4,021,586	859,175	5,686,825
Increase (decrease) in net position	\$ 6,123,375	\$ 7,111,137	\$ 3,693,227	\$ 1,709,853	9,214,959
Restatement for change in accounting principle	-	-	-	-	-
Net position at year-end composed of					
Net investment in capital assets	\$ 163,915,951	\$ 161,352,944	\$ 157,729,262	\$ 159,208,931	\$ 160,040,146
Restricted	10,193,462	9,715,727	11,058,622	3,349,869	3,406,924
Unrestricted	29,009,263	39,161,142	37,309,773	45,248,710	54,558,021
Total net position	\$ 203,118,676	\$ 210,229,813	\$ 206,097,657	\$ 207,807,510	\$ 218,005,091

*2013, 2017, and 2021 have been restated

Savannah Airport Commission

Total Annual Revenues, Expenses, and Changes in Net Position

<i>Years ended December 31,</i>	2018	2019	2020	2021*	2022
Operating revenues					
Airfield	\$ 5,703,136	\$ 6,752,741	\$ 3,815,963	\$ 5,655,665	\$ 6,301,754
Terminal	15,248,112	16,088,023	12,054,946	16,732,497	19,103,172
Airport business center	-	-	-	-	-
Commercial aviation	2,406,820	2,544,916	2,868,282	2,097,283	2,139,612
Apron	71,773	69,791	69,044	81,675	80,401
Parking	8,534,367	9,172,911	3,433,443	7,163,517	11,321,792
Non-aviation	3,336,134	3,067,443	2,291,249	2,952,142	3,369,936
Foreign trade zone	-	-	-	-	-
Total operating revenues	35,300,342	37,695,825	24,532,927	34,682,779	42,316,667
Operating expenses					
Airfield	2,162,008	1,805,729	1,877,299	3,546,649	3,819,234
Terminal	11,463,914	10,608,462	11,474,856	9,431,481	10,190,493
Airport business center	113,294	10,519	11,340	10,097	13,908
Commercial aviation	165,349	188,206	204,786	159,742	156,607
Apron	3,969	1,829	16,055	12,900	33,380
Parking	1,653,726	1,835,278	1,920,064	1,792,227	2,173,310
Non-aviation	1,144,642	1,219,215	1,381,800	989,003	1,101,741
Public safety	-	3,887,071	4,047,794	3,046,019	3,679,961
FIS facility	-	4,310	49,501	80,992	88,048
Administrative expenses	8,566,816	11,051,772	11,852,237	11,317,539	11,510,624
Depreciation	12,703,635	12,773,208	12,763,672	13,374,664	13,550,797
Total operating expenses	37,977,353	43,385,599	45,599,404	43,761,313	46,318,103
Operating loss	(2,677,011)	(5,689,774)	(21,066,477)	(9,078,534)	(4,001,436)
Non-operating revenues (expenses)					
Passenger facility charges	5,549,069	5,920,188	2,538,410	5,384,186	7,521,835
Customer facility charges	2,613,350	3,711,308	1,934,392	2,810,375	3,371,721
General aviation charges	89,080	90,679	82,373	85,460	94,392
Savannah aviation village fund charges	-	-	-	-	-
In-kind rents	-	-	-	2,000,000	2,000,000
Investment revenue	-	-	-	254,534	771,265
Interest revenue	1,127,197	1,542,767	942,438	1,421,365	1,389,321
Interest expense	-	-	-	-	-
Bond issuance cost amortization	-	-	-	-	-
Bond premium amortization	-	-	-	-	-
Loss on bond refunding	-	-	-	-	-
Net increase (decrease) in the fair value of investments	(132,721)	387,923	111,697	(323,404)	(343,539)
Recovery of bad debt	-	-	-	-	-
Gain (loss) on disposal of capital assets	(100,973)	(22,978)	(4,348,776)	104,628	71,389
Total non-operating revenues	9,145,002	11,629,887	1,260,534	11,737,144	14,876,384
Income (loss) before capital contributions	6,467,991	5,940,113	(19,805,943)	2,658,610	10,874,948
Capital contributions	5,423,362	10,408,120	14,128,106	20,512,870	23,007,244
Increase (decrease) in net position	\$ 11,891,353	\$ 16,348,233	\$ (5,677,837)	\$ 23,171,480	\$ 33,882,192
Restatement for change in accounting principle	-	-	-	5,365,488	-
Net position at year-end composed of:					
Net investment in capital assets	\$ 161,956,390	\$ 168,961,459	\$ 157,014,546	\$ 154,467,008	\$ 170,184,234
Restricted	10,957,693	19,061,440	21,121,495	27,936,083	31,927,250
Unrestricted	56,982,361	58,221,778	62,430,799	86,700,717	100,874,516
Total net position	\$ 229,896,444	\$ 246,244,677	\$ 240,566,840	\$ 269,103,808	\$ 302,986,000

*2013, 2017, and 2021 have been restated

Savannah Airport Commission

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

	2022	2012
Employer	Employees	Employees
Gulfstream Aerospace Corporation	11,301	7,300
Savannah-Chatham County Board of Education	5,700	4,600
St. Joseph's Candler	4,652	3,170
Ft. Stewart/Hunter Army Airfield	4,300	4,719
Walmart	4,150	2,935
Memorial University Medical Center	3,869	4,643
Georgia Southern University	2,901	*
Colonial Group	2,241	*
City of Savannah	2,147	2,500
Chatham County	1,810	1,500
Savannah College of Art and Design	*	1,750
Georgia-Pacific Savannah River Mill	*	1,200

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
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	\$10,543	\$0	\$0	\$0	0.00
2018	\$39,130	\$25,507	\$13,623	\$0	\$0	\$0	0.00
2019	\$43,429	\$30,635	\$12,794	\$0	\$0	\$0	0.00
2020	\$27,604	\$37,185	\$-9,581	\$0	\$0	\$0	0.00
2021*	\$41,359	\$30,710	\$10,649	\$0	\$0	\$0	0.00
2022	\$50,015	\$33,111	\$16,904	\$0	\$0	\$0	0.00

*2013, 2017 and 2021 have been restated

Gross revenue excludes passenger facility charges included in non-operating revenue and capital contributions of \$30,529,079 in 2022 and \$25,897,056 in 2021.

Savannah Airport Commission

Ratios of Outstanding Debt

<i>Years ended December 31,</i>	2013*	2014	2015
Principal	\$2,445,000	\$2,390,000	\$2,705,000
Interest	442,838	345,038	260,600
Total debt service	\$2,887,838	\$2,735,038	\$2,965,600
Total expenses	28,660,987	30,169,223	33,411,404
Ratio of debt service to total expenses	10%	9%	9%
Debt service per enplaned passenger			
Net debt service	\$2,887,838	\$2,735,038	\$2,965,600
Enplaned passengers	823,494	963,385	1,017,065
Debt service per enplaned passenger	\$3.51	\$2.84	\$2.92
Debt limit per enplaned passenger			
Debt limit	No limit	No limit	No limit
Enplaned passengers	823,494	963,385	1,017,067
Debt limit per enplaned passenger	N/A	N/A	N/A
Outstanding debt per enplaned passenger			
Revenue bonds	\$8,460,942	\$5,822,760	\$2,981,380
Notes payable	-	-	-
Total outstanding debt	\$8,460,942	\$5,822,760	\$2,981,380
Outstanding debt per enplaned passenger	\$10	\$6	\$3

* 2013, 2017, and 2021 have been restated

Savannah Airport Commission

Ratios of Outstanding Debt (cont.)

<i>Years ended December 31,</i>	2016	2017*	2018	2019
Principal	\$2,845,000	\$0	\$0	\$0
Interest	125,350	0	0	0
Total debt service	\$2,970,350	\$0	\$0	\$0
Total expenses	34,773,860	35,069,068	38,211,047	43,408,577
Ratio of debt service to total expenses	9%	0%	0%	0%
Debt service per enplaned passenger				
Net debt service	\$2,970,350	\$0	\$0	\$0
Enplaned passengers	1,089,222	1,229,083	1,395,040	1,502,974
Debt service per enplaned passenger	\$2.73	\$0.00	\$0.00	\$0.00
Debt limit per enplaned passenger				
Debt limit	No limit	No limit	No limit	No limit
Enplaned passengers	1,089,222	1,229,083	1,395,040	1,502,974
Debt limit per enplaned passenger	N/A	N/A	N/A	N/A
Outstanding debt per enplaned passenger				
Revenue bonds	\$0	\$0	\$0	\$0
Notes payable	-	-	-	-
Total outstanding debt	\$0	\$0	\$0	\$0
Outstanding debt per enplaned passenger	\$0	\$0	\$0	\$0

* 2013, 2017, and 2021 have been restated

Savannah Airport Commission

Ratios of Outstanding Debt (cont.)

<i>Years ended December 31,</i>	2020	2021*	2022
Principal	\$0	\$0	\$0
Interest	0	0	0
Total debt service	\$0	\$0	\$0
Total expenses	49,948,180	44,084,717	46,661,642
Ratio of debt service to total expenses	0%	0%	0%
Debt service per enplaned passenger			
Net debt service	\$0	\$0	\$0
Enplaned passengers	598,096	1,393,720	1,765,312
Debt service per enplaned passenger	\$0.00	\$0.00	\$0.00
Debt limit per enplaned passenger			
Debt limit	No limit	No limit	No limit
Enplaned passengers	598,096	1,393,720	1,765,312
Debt limit per enplaned passenger	N/A	N/A	N/A
Outstanding debt per enplaned passenger			
Revenue bonds	\$0	\$0	\$0
Notes payable	-	-	-
Total outstanding debt	\$0	\$0	\$0
Outstanding debt per enplaned passenger	\$0	\$0	\$0

* 2013, 2017, and 2021 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)
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
2019	289,195	\$ 47,563	\$ 13,754,879	37,433	2.70
2020	289,430	\$ 48,294	\$ 13,977,718	36,395	5.80
2021	289,463	\$ 51,805	\$ 14,995,510	35,946	2.30
2022	296,329	\$ 54,586	\$ 16,175,526	35,129	2.50

Savannah Airport Commission

Industry Specific Trend Data Last Ten Calendar Years

Year	Enplanements	Deplanements	Total Passengers	Available Seats	Load Factor
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%
2019	1,502,974	1,518,103	3,021,077	1,903,143	79%
2020	598,096	601,899	1,199,995	1,026,397	58%
2021	1,393,720	1,387,189	2,780,909	1,837,415	75%
2022	1,765,312	1,767,982	3,533,294	2,144,034	82%

Savannah Airport Commission

Airlines Landed Weight (1,000 lbs.) 2013 - 2022

Airline	2022	Percent of Total 2022	2021	Percent of Total 2021
Delta Airlines	442,092	21.07%	304,396	16.65%
Southwest	300,183	14.31%	241,506	13.21%
American Airlines	221,796	10.57%	148,070	8.10%
JetBlue	200,587	9.56%	103,159	5.64%
PSA (American)	167,732	7.99%	219,590	12.01%
Endeavor (Delta)	138,061	6.58%	152,340	8.33%
Allegiant Airlines	127,646	6.08%	163,963	8.97%
Republic (United)	87,558	4.17%	153,281	8.38%
United Airlines	67,705	3.23%	37,542	2.05%
Envoy Air (American)	62,117	2.96%	50,298	2.75%
Mesa (United)	44,481	2.12%	57,776	3.16%
Sky West (United)	40,926	1.95%	27,693	1.51%
Republic (American)	14,689	0.70%	51,706	2.83%
Air Wisconsin (United)	13,912	0.66%	10,669	0.58%
Republic (Delta)	13,180	0.63%	1,563	0.09%
Avelo Airlines	13,167	0.63%	-	-
Breeze Airways	12,086	0.58%	-	-
GoJet (United)	11,720	0.56%	1,708	0.09%
Piedmont (American)	8,979	0.43%	7,275	0.40%
Sun Country	8,608	0.41%	2,341	0.13%
Silver	6,773	0.32%	6,659	0.36%
Frontier	6,246	0.30%	12,360	0.68%
CommutAir (United)	2,866	0.14%	4,141	0.23%
Sky West (Delta)	671	0.03%	-	-
Sky West (American)	536	0.03%	3,551	0.19%
Express Jet (United)	-	-	-	-
Air Canada	-	-	-	-
GoJet (Delta)	-	-	-	-
Trans States (United)	-	-	-	-
Express Jet (Delta)	-	-	-	-
Mesa (American)	-	-	-	-
Trans States (American)	-	-	-	-
Air Wisconsin (American)	-	-	-	-
Shuttle America (United)	-	-	-	-
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Total Scheduled	2,014,317	96.01%	1,761,587	96.34%
Total Non-Scheduled	6,349	0.30%	7,140	0.39%
Cargo Carriers				
Federal Express	51,228	2.44%	50,322	2.75%
Martinaire, Inc.	17,000	0.81%	27	0.00%
Air Cargo Carriers	7,005	0.33%	6,883	0.38%
Suburban Air Freight	2,204	0.11%	2,429	0.13%
Sky Way Enterprises	-	0.00%	52	0.00%
Mountain Air Cargo	-	-	-	-
Wiggins Airways	-	-	-	-
Total Cargo	77,437	3.69%	59,713	3.27%
Grand Total	2,098,103	100.00%	1,828,440	100.00%

Savannah Airport Commission

Airlines Landed Weight (1,000 lbs.) 2013 - 2022

Airline	2020	2019	2018	2017
Delta Airlines	264,789	470,470	478,767	449,293
Southwest	-	-	-	-
American Airlines	62,407	212,358	150,412	64,716
JetBlue	85,609	167,519	159,557	152,751
PSA (American)	221,881	277,644	260,756	206,144
Endeavor (Delta)	28,667	93,031	135,516	82,856
Allegiant Airlines	124,606	173,044	138,366	101,503
Republic (United)	27,007	28,496	9,219	8,742
United Airlines	2,806	58,006	124,268	79,087
Envoy Air (American)	25,105	32,327	14,732	37,289
Mesa (United)	49,213	61,919	32,886	38,198
Sky West (United)	15,606	12,824	11,160	12,336
Republic (American)	22,188	17,379	23,375	12,744
Air Wisconsin (United)	13,019	35,626	43,193	9,259
Republic (Delta)	4,683	875	2,260	1,628
Avelo Airlines	-	-	-	-
Breeze Airways	-	-	-	-
GoJet (United)	-	1,139	67	6,432
Piedmont (American)	-	-	5,750	8,933
Sun Country	-	4,096	5,458	6,091
Silver	-	-	-	-
Frontier	6,958	26,305	17,201	-
CommutAir (United)	11,728	16,781	10,231	13,352
Sky West (Delta)	7,515	61,276	1,275	150
Sky West (American)	4,355	13,065	-	-
Express Jet (United)	10,043	41,987	32,795	47,792
Air Canada	676	10,030	11,248	8,436
GoJet (Delta)	-	67	2,570	13,282
Trans States (United)	-	-	11,219	4,250
Express Jet (Delta)	-	-	3,835	44,852
Mesa (American)	-	-	3,492	-
Trans States (American)	-	-	1,911	13,481
Air Wisconsin (American)	-	-	-	19,787
Shuttle America (United)	-	-	-	1,808
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Total Scheduled	988,861	1,816,264	1,691,519	1,445,192
Total Non-Scheduled	6,024	8,963	6,101	5,719
Cargo Carriers				
Federal Express	51,318	51,282	54,054	51,678
Martinaire, Inc.	9	18	70	35
Air Cargo Carriers	7,131	6,868	7,026	7,009
Suburban Air Freight	2,451	2,210	2,443	3,458
Sky Way Enterprises	104	-	-	592
Mountain Air Cargo	-	26	34	-
Wiggins Airways	-	-	-	-
Total Cargo	61,013	60,404	63,627	62,772
Grand Total	1,055,898	1,885,631	1,761,247	1,513,683

Savannah Airport Commission

Airlines Landed Weight (1,000 lbs.) 2013 – 2022 (cont.)

Airline	2016	2015	2014	2013
Delta Airlines	437,725	437,487	409,511	414,153
Southwest	-	-	-	-
American Airlines	4,877	260	-	-
JetBlue	144,815	137,908	119,116	-
PSA (American)	215,003	213,920	85,836	86,597
Endeavor (Delta)	55,621	48,590	42,732	-
Allegiant Airlines	69,803	17,665	-	-
Republic (United)	11,963	-	-	-
United Airlines	6,926	-	-	-
Envoy Air (American)	47,312	25,242	45,709	46,596
Mesa (United)	33,969	24,522	11,725	8,943
Sky West (United)	7,033	2,641	-	67
Republic (American)	17,056	3,551	19,480	32,429
Air Wisconsin (United)	-	-	-	-
Republic (Delta)	-	-	-	-
Avelo Airlines	-	-	-	-
Breeze Airways	-	-	-	-
GoJet (United)	2,077	-	-	-
Piedmont (American)	859	993	888	420
Sun Country	7,987	5,180	-	-
Silver	-	-	-	-
Frontier	-	-	-	-
CommutAir (United)	13,360	-	-	-
Sky West (Delta)	-	-	-	-
Sky West (American)	-	-	-	-
Express Jet (United)	79,769	97,412	134,643	131,057
Air Canada	-	-	-	-
GoJet (Delta)	40,063	41,760	30,485	18,425
Trans States (United)	6,431	20,781	-	-
Express Jet (Delta)	40,219	42,596	55,660	28,034
Mesa (American)	6,093	19,831	114,541	124,798
Trans States (American)	-	-	-	-
Air Wisconsin (American)	22,936	18,894	35,908	35,767
Shuttle America (United)	578	-	-	-
Shuttle America (Delta)	9,822	819	1,023	20,462
Express Jet (American)	-	6,157	-	-
Compass (Delta)	-	-	7,171	28,251
Chautauqua (American)	-	-	-	3,277
Pinnacle (Delta)	-	-	-	769
Total Scheduled	1,282,297	1,166,209	1,114,428	980,045
Total Non-Scheduled	3,154	5,367	5,654	2,195
Cargo Carriers				
Federal Express	52,074	54,648	54,252	51,440
Martinaire, Inc.	36	80	113	51
Air Cargo Carriers	6,369	6,198	6,426	6,606
Suburban Air Freight	3,912	3,667	3,548	3,487
Sky Way Enterprises	679	-	-	-
Mountain Air Cargo	-	-	-	-
Wiggins Airways	13	263	76	-
Total Cargo	63,083	64,856	64,415	61,584
Grand Total	1,348,534	1,236,432	1,184,497	1,043,824

Savannah Airport Commission

Enplaned Passengers 2013 - 2022

	2022	Percent of Total 2022	2021	Percent of Total 2021
Airline				
Delta Airlines	417,330	23.64%	256,387	18.40%
Southwest	262,131	14.85%	189,940	13.63%
American Airlines	202,833	11.49%	120,482	8.64%
JetBlue	150,020	8.50%	83,994	6.03%
PSA (American)	144,297	8.17%	177,266	12.72%
Allegiant Airlines	117,063	6.63%	113,175	8.12%
Endeavor (Delta)	115,240	6.53%	113,301	8.13%
Republic (United)	72,527	4.11%	122,234	8.77%
United Airlines	56,708	3.21%	29,237	2.10%
Envoy Air (American)	51,490	2.92%	38,691	2.78%
Mesa (United)	40,100	2.27%	43,910	3.15%
Sky West (United)	36,900	2.09%	22,832	1.64%
Air Wisconsin (United)	13,557	0.77%	8,393	0.60%
Republic (Delta)	11,678	0.66%	496	0.04%
Republic (American)	11,195	0.63%	40,094	2.88%
Avelo Airlines	10,457	0.59%		
Piedmont (American)	9,915	0.56%	7,803	0.56%
GoJet (United)	8,811	0.50%	1,234	0.09%
Sun Country	8,303	0.47%	2,174	0.16%
Breeze Airways	6,169	0.35%		
Silver	6,165	0.35%	4,788	0.34%
Frontier	5,778	0.33%	9,417	0.68%
CommutAir (United)	2,816	0.16%	3,853	0.28%
Sky West (Delta)	613	0.03%		
Sky West (American)	500	0.03%	2,874	0.21%
Express Jet (United)	-	-	-	-
Air Canada	-	-	-	-
GoJet (Delta)	-	-	-	-
Trans States (United)	-	-	-	-
Mesa (American)	-	-	-	-
Express Jet (Delta)	-	-	-	-
Trans States (American)	-	-	-	-
Air Wisconsin (American)	-	-	-	-
Shuttle America (United)	-	-	-	-
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Total	1,762,596	99.85%	1,392,575	99.92%
Non-Scheduled	2,716	0.15%	1,145	0.08%
Grand Total	1,765,312	100.00%	1,393,720	100.00%

Savannah Airport Commission

Enplaned Passengers 2013 – 2022 (cont.)

	2020	2019	2018	2017
Airline				
Delta Airlines	156,209	408,860	398,783	383,335
Southwest	-	-	-	-
American Airlines	40,165	153,759	118,537	48,337
JetBlue	44,878	147,585	135,325	135,313
PSA (American)	138,727	213,739	206,121	174,532
Allegiant Airlines	75,380	151,089	124,108	94,360
Endeavor (Delta)	15,082	73,814	104,076	64,004
Republic (United)	15,303	22,354	8,012	6,858
United Airlines	1,413	44,701	93,840	63,883
Envoy Air (American)	19,710	29,851	14,449	32,021
Mesa (United)	26,972	49,826	25,728	32,005
Sky West (United)	8,040	11,206	9,448	10,786
Air Wisconsin (United)	9,901	31,443	38,151	8,732
Republic (Delta)	2,556	67	1,697	1,035
Republic (American)	12,992	12,689	17,156	9,855
Avelo Airlines	-	-	-	-
Piedmont (American)	-	-	5,435	8,328
GoJet (United)	-	876	68	4,783
Sun Country	-	3,341	3,953	4,053
Breeze Airways	-	-	-	-
Silver	-	-	-	-
Frontier	3,646	27,083	16,817	
CommutAir (United)	9,562	16,117	8,872	12,721
Sky West (Delta)	3,542	44,008	885	151
Sky West (American)	2,566	9,459	-	-
Express Jet (United)	9,166	40,024	30,880	46,174
Air Canada	412	8,805	9,910	7,419
GoJet (Delta)	-	73	2,059	10,633
Trans States (United)	-	-	10,494	3,792
Mesa (American)	-	-	3,490	-
Express Jet (Delta)	-	-	3,145	34,419
Trans States (American)	-	-	1,921	12,523
Air Wisconsin (American)	-	-	-	16,248
Shuttle America (United)	-	-	-	1,142
Shuttle America (Delta)	-	-	-	-
Express Jet (American)	-	-	-	-
Compass (Delta)	-	-	-	-
Chautauqua (American)	-	-	-	-
Pinnacle (Delta)	-	-	-	-
Total	596,222	1,500,769	1,393,360	1,227,442
Non-Scheduled	1,874	2,205	1,680	1,641
Grand Total	598,096	1,502,974	1,395,040	1,229,083

Savannah Airport Commission

Enplaned Passengers 2013 – 2022 (cont.)

	2016	2015	2014	2013
Airline				
Delta Airlines	370,076	386,595	367,560	346,474
Southwest	-	-	-	-
American Airlines	996	28	-	-
JetBlue	128,576	121,577	104,402	-
PSA (American)	180,459	183,150	74,807	73,237
Allegiant Airlines	63,171	17,568	-	-
Endeavor (Delta)	42,395	36,185	27,980	-
Republic (United)	10,579	-	-	-
United Airlines	6,522	-	-	-
Envoy Air (American)	42,107	25,127	44,151	45,769
Mesa (United)	30,135	20,547	7,902	7,629
Sky West (United)	6,147	2,267	-	-
Air Wisconsin (United)	-	-	-	-
Republic (Delta)	-	-	-	-
Republic (American)	14,318	3,107	17,260	28,020
Avelo Airlines	-	-	-	-
Piedmont (American)	587	52	134	100
GoJet (United)	1,586	-	-	-
Sun Country	3,431	2,274	-	-
Breeze Airways	-	-	-	-
Silver	-	-	-	-
Frontier	-	-	-	-
CommutAir (United)	12,676	-	-	-
Sky West (Delta)	-	-	-	-
Sky West (American)	-	-	-	-
Express Jet (United)	78,771	96,384	126,028	119,552
Air Canada	-	-	-	-
GoJet (Delta)	29,864	29,355	22,510	13,488
Trans States (United)	6,382	20,203	-	-
Mesa (American)	4,880	16,612	98,421	96,914
Express Jet (Delta)	26,022	31,480	36,152	23,438
Trans States (American)	-	-	-	-
Air Wisconsin (American)	20,545	17,468	30,351	29,982
Shuttle America (United)	425	-	-	-
Shuttle America (Delta)	7,883	671	818	14,549
Express Jet (American)	-	5,304	-	-
Compass (Delta)	-	-	4,089	20,866
Chautauqua (American)	-	-	-	1,921
Pinnacle (Delta)	-	-	-	644
Total	1,088,533	1,015,954	962,565	822,583
Non-Scheduled	689	1,113	820	911
Grand Total	1,089,222	1,017,067	963,385	823,494

Savannah Airport Commission

Aircraft Operations 2013 - 2022

Year	Airlines	Cargo	General Aviation	Military	Total
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
2019	31,082	18,583	50,489	7,610	107,764
2020	19,750	12,920	51,821	7,803	92,294
2021	35,172	13,958	57,379	6,148	112,657
2022	35,921	15,132	59,233	6,134	116,420

Annual Compounded Growth

2013-2022	8.89%	-3.02%	3.55%	-1.72%	3.20%
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Number of years: 10

Savannah Airport Commission

Airlines Serving the Savannah/Hilton Head International Airport

PRIMARY CARRIERS

Allegiant
American
Avelo
Breeze
Delta
Frontier
JetBlue
Silver
Southwest
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
GoJet d/b/a United
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 American
SkyWest d/b/a Delta
SkyWest d/b/a United

ALL CARGO CARRIERS

Air Cargo Carriers
Federal Express
Martinaire Aviation
Suburban Air Freight

Savannah Airport Commission

Principal Customers

Customer Name	Revenue from Customers 2022	% of Total Revenue 2022	Revenues from Customers 2021	% of Total Revenue 2021
PARKING	\$ 10,888,110	25.83%	\$ 7,037,604	20.44%
DELTA AIRLINES	\$ 4,168,095	9.89%	\$ 3,370,445	9.79%
AMERICAN AIRLINES	\$ 3,031,395	7.19%	\$ 2,900,995	8.42%
ALAMO / NATIONAL (f/k/a Vanguard)	\$ 2,842,982	6.74%	\$ 2,238,081	6.50%
BUDGET CAR RENTAL	\$ 2,242,580	5.32%	\$ 1,791,643	5.20%
ENTERPRISE	\$ 2,003,410	4.75%	\$ 1,502,464	4.36%
GULFSTREAM	\$ 1,914,625	4.54%	\$ 1,947,552	5.66%
AVIS RENT A CAR	\$ 1,893,602	4.49%	\$ 1,672,725	4.86%
HERTZ RENT A CAR	\$ 1,534,925	3.64%	\$ 1,535,954	4.46%
HOST, INC	\$ 1,502,786	3.56%	\$ 777,559	2.26%
JETBLUE	\$ 1,348,311	3.20%	\$ 891,248	2.59%
UNITED AIRLINES	\$ 1,230,980	2.92%	\$ 1,265,158	3.67%
PARADIES	\$ 1,217,816	2.89%	\$ 964,857	2.80%
ALLEGIAN AIRLINES	\$ 901,451	2.14%	\$ 968,538	2.81%
PSA AIRLINES	\$ 536,738	1.27%	\$ 702,684	2.04%
THRIFTY	\$ 449,513	1.07%	\$ 688,422	2.00%
ENDEAVOR AIRLINES - DELTA	\$ 446,540	1.06%	\$ 488,764	1.42%
SIGNATURE FLIGHT SUPPORT	\$ 438,572	1.04%	\$ 414,531	1.20%
FEDERAL EXPRESS	\$ 408,007	0.97%	\$ 404,946	1.18%
UBER	\$ 387,349	0.92%	\$ 245,610	0.71%
LIBERTY AIR VENTURES	\$ 280,579	0.67%	\$ 246,005	0.71%
REPUBLIC AIRLINES - UNITED	\$ 280,192	0.66%	\$ 490,495	1.42%
TSA	\$ 271,442	0.64%	\$ 272,161	0.79%
HILTON GARDEN INN	\$ 254,846	0.60%	\$ 189,194	0.55%
DOLLAR RENT A CAR	\$ 235,845	0.56%	\$ 369,488	1.07%
DOUBLETREE	\$ 216,895	0.51%	\$ 181,196	0.53%
HAMPTON INN	\$ 215,510	0.51%	\$ 182,115	0.53%
ENVOY AIR - AMERICAN	\$ 201,198	0.48%	\$ 162,125	0.47%
TRU HOTEL	\$ 182,354	0.43%	-	-
HYATT PLACE	\$ 172,050	0.41%	-	-
SPRINGHILL SUITES	\$ 153,248	0.36%	-	-
HOLIDAY INN EXPRESS	\$ 152,140	0.36%	-	-
UNITED GROUND EXPRESS	\$ 150,818	0.36%	-	-
FRONTIER AIRLINES	-	-	\$ 185,396	0.54%
MESA-UNITED	-	-	\$ 183,733	0.53%
REPUBLIC AIRLINES - AMERICAN	-	-	\$ 165,461	0.48%
CHATHAM CO. MOSQ CONTROL	-	-	-	-
US AIRWAYS	-	-	-	-
ASA - UNITED	-	-	-	-
MESA-US AIRWAYS	-	-	-	-
GOODWILL INDUSTRIES	-	-	-	-
AMERICAN EAGLE	-	-	-	-
EXPRESS JET-UNITED	-	-	-	-
Total	\$ 42,154,903	100.00%	\$ 34,437,149	100.00%

Savannah Airport Commission

Principal Customers (cont.)

Customer Name	2020	2019	2018	2017
PARKING	\$ 3,434,560	\$ 9,173,199	\$ 8,534,367	\$ 7,704,748
DELTA AIRLINES	\$ 3,351,253	\$ 4,423,570	\$ 4,479,404	\$ 4,357,879
AMERICAN AIRLINES	\$ 2,939,459	\$ 2,782,111	\$ 2,508,982	\$ 1,964,732
ALAMO / NATIONAL (f/k/a Vanguard)	\$ 1,285,291	\$ 2,582,579	\$ 2,079,736	\$ 1,464,041
BUDGET CAR RENTAL	\$ 709,961	\$ 1,077,362	\$ 931,241	\$ 611,873
ENTERPRISE	\$ 827,620	\$ 1,319,832	\$ 1,240,476	\$ 892,747
GULFSTREAM	\$ 1,925,210	\$ 1,674,553	\$ 1,663,104	\$ 1,617,650
AVIS RENT A CAR	\$ 676,807	\$ 1,070,120	\$ 894,638	\$ 672,371
HERTZ RENT A CAR	\$ 1,133,411	\$ 2,317,366	\$ 2,004,051	\$ 1,323,888
HOST, INC	\$ 390,763	\$ 1,101,793	\$ 1,027,429	\$ 824,900
JETBLUE	\$ 881,767	\$ 1,252,191	\$ 1,216,452	\$ 1,250,191
UNITED AIRLINES	\$ 988,784	\$ 1,222,653	\$ 1,464,993	\$ 1,292,175
PARADIES	\$ 478,324	\$ 993,234	\$ 894,035	\$ 895,408
ALLEGIANT AIRLINES	\$ 1,042,261	-	-	-
PSA AIRLINES	\$ 710,018	\$ 860,696	\$ 782,562	\$ 597,812
THRIFTY	\$ 254,327	\$ 470,100	\$ 385,296	\$ 346,053
ENDEAVOR AIRLINES - DELTA	-	\$ 291,432	\$ 410,281	\$ 248,415
SIGNATURE FLIGHT SUPPORT	\$ 396,475	\$ 391,203	\$ 382,880	\$ 483,592
FEDERAL EXPRESS	\$ 407,291	\$ 402,251	\$ 404,851	\$ 319,481
UBER	-	\$ 337,410	\$ 245,177	-
LIBERTY AIR VENTURES	\$ 215,919	\$ 201,196	-	-
REPUBLIC AIRLINES - UNITED	-	-	-	-
TSA	\$ 270,425	\$ 264,427	\$ 337,230	\$ 692,354
HILTON GARDEN INN	-	\$ 201,206	-	-
DOLLAR RENT A CAR	\$ 187,364	\$ 261,995	\$ 220,218	-
DOUBLETREE	-	-	-	-
HAMPTON INN	-	-	-	-
ENVOY AIR - AMERICAN	-	-	-	-
TRU HOTEL	-	-	-	-
HYATT PLACE	-	-	-	-
SPRINGHILL SUITES	-	-	-	-
HOLIDAY INN EXPRESS	-	-	-	-
UNITED GROUND EXPRESS	-	-	-	-
FRONTIER AIRLINES	-	-	-	-
MESA-UNITED	\$ 157,484	-	-	-
REPUBLIC AIRLINES - AMERICAN	-	-	-	-
CHATHAM CO. MOSQ CONTROL	-	-	\$ 345,230	\$ 394,080
US AIRWAYS	\$ 3,434,560	\$ 9,173,199	\$ 8,534,367	\$ 7,704,748
ASA - UNITED	\$ 3,351,253	\$ 4,423,570	\$ 4,479,404	\$ 4,357,879
MESA-US AIRWAYS	\$ 2,939,459	\$ 2,782,111	\$ 2,508,982	\$ 1,964,732
GOODWILL INDUSTRIES	\$ 1,285,291	\$ 2,582,579	\$ 2,079,736	\$ 1,464,041
AMERICAN EAGLE	\$ 709,961	\$ 1,077,362	\$ 931,241	\$ 611,873
EXPRESS JET-UNITED	\$ 827,620	\$ 1,319,832	\$ 1,240,476	\$ 892,747
Total	\$ 22,664,773	\$ 34,672,480	\$ 32,452,633	\$ 27,954,392

Savannah Airport Commission

Principal Customers (cont.)

Customer Name	2016	2015	2014	2013
PARKING	\$ 7,024,263	\$ 6,508,041	\$ 6,017,762	\$ 5,260,004
DELTA AIRLINES	\$ 4,366,076	\$ 4,409,800	\$ 4,269,161	\$ 4,321,510
AMERICAN AIRLINES	\$ 1,344,446	\$ 1,396,281	\$ 1,444,405	-
ALAMO / NATIONAL (f/k/a Vanguard)	\$ 1,349,645	\$ 1,272,924	\$ 969,881	\$ 767,753
BUDGET CAR RENTAL	\$ 541,795	\$ 574,587	\$ 650,412	\$ 534,221
ENTERPRISE	\$ 764,941	\$ 706,456	\$ 648,022	\$ 633,847
GULFSTREAM	\$ 1,636,155	\$ 1,558,964	\$ 1,603,327	\$ 1,333,438
AVIS RENT A CAR	\$ 661,366	\$ 611,229	\$ 621,366	\$ 556,467
HERTZ RENT A CAR	\$ 1,197,321	\$ 1,170,657	\$ 1,205,561	\$ 1,071,008
HOST, INC	\$ 787,693	\$ 707,620	\$ 611,152	\$ 511,211
JETBLUE	\$ 1,062,944	-	-	-
UNITED AIRLINES	\$ 1,009,661	\$ 985,201	\$ 1,090,830	\$ 1,208,256
PARADIES	\$ 776,391	\$ 663,623	\$ 679,311	\$ 547,145
ALLEGiant AIRLINES	-	-	-	-
PSA AIRLINES	\$ 602,004	\$ 577,580	\$ 223,369	\$ 217,013
THRIFTY	\$ 362,843	\$ 327,884	\$ 363,853	\$ 289,152
ENDEAVOR AIRLINES - DELTA	-	-	-	-
SIGNATURE FLIGHT SUPPORT	\$ 513,339	\$ 552,978	\$ 497,662	\$ 668,386
FEDERAL EXPRESS	\$ 260,810	\$ 249,259	\$ 256,063	\$ 462,028
UBER	-	-	-	-
LIBERTY AIR VENTURES	-	-	-	-
REPUBLIC AIRLINES - UNITED	-	-	-	-
TSA	\$ 252,156	\$ 255,975	\$ 245,247	\$ 245,674
HILTON GARDEN INN	-	-	-	-
DOLLAR RENT A CAR	\$ 219,894	\$ 209,125	\$ 223,342	-
DOUBLETREE	-	-	-	-
HAMPTON INN	-	-	-	-
ENVOY AIR - AMERICAN	-	-	-	-
TRU HOTEL	-	-	-	-
HYATT PLACE	-	-	-	-
SPRINGHILL SUITES	-	-	-	-
HOLIDAY INN EXPRESS	-	-	-	-
UNITED GROUND EXPRESS	-	-	-	-
FRONTIER AIRLINES	-	-	-	-
MESA-UNITED	-	-	-	-
REPUBLIC AIRLINES - AMERICAN	-	-	-	-
CHATHAM CO. MOSQ CONTROL	\$ 391,388	\$ 388,696	\$ 386,004	\$ 383,312
US AIRWAYS	\$ 504,942	\$ 510,020	\$ 710,666	\$ 1,738,024
ASA - UNITED	-	\$ 263,020	\$ 349,290	-
MESA-US AIRWAYS	-	-	\$ 297,798	\$ 311,991
GOODWILL INDUSTRIES	-	-	\$ 211,446	\$ 214,926
AMERICAN EAGLE	-	-	-	\$ 749,316
EXPRESS JET-UNITED	-	-	-	\$ 328,357
Total	\$ 25,630,072	\$ 23,899,920	\$ 23,575,931	\$ 22,353,038

Savannah Airport Commission

Miscellaneous Statistical Information

	2013	2014	2015
Date of Incorporation - 1949			
Number of Employees	172	184	196
Terminal Building	381,979 SF	381,979 SF	381,979 SF
Land Owner	3,638 acres	3,638 acres	3,638 acres
Airport Business Center	112,000 SF	112,000 SF	112,000 SF
Runways:			
Runway 10/28	9,351 ft x 150 ft	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	7,002 ft x 150 ft
Total Gates	15	15	15
Terminal Gates in Use	8	9	10
Number of Airlines Serviced	17	16	21
Number of Rental Car Agencies on Property	7	8	8
Number of Taxi/Limousine Companies Servicing Airport	79	80	76
Number of Concessionaires in Terminal Building	17	17	17
Number of Public Parking Spaces	3,954	3,914	3,924

Savannah Airport Commission

Miscellaneous Statistical Information (cont.)

	2016	2017	2018	2019
Date of Incorporation - 1949				
Number of Employees	201	204	205	218
Terminal Building	381,979 SF	381,979 SF	381,979 SF	381,979 SF
Land Owner	3,638 acres	3,638 acres	3,638 acres	3,638 acres
Airport Business Center	112,000 SF	112,000 SF	11,748 SF	11,748 SF
Runways:				
Runway 10/28	9,351 ft x 150 ft	9,351 ft x 150 ft	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	7,002 ft x 150 ft	7,002 ft x 150 ft
Total Gates	15	15	15	15
Terminal Gates in Use	11	12	12	12
Number of Airlines Serviced	24	27	27	23
Number of Rental Car Agencies on Property	8	8	8	8
Number of Taxi/Limousine Companies Servicing Airport	76	71	70	63
Number of Concessionaires in Terminal Building	18	19	20	21
Number of Public Parking Spaces	3,924	3,924	3,924	3,924

Savannah Airport Commission

Miscellaneous Statistical Information (cont.)

	2020	2021	2022
Date of Incorporation - 1949			
Number of Employees	198	218	215
Terminal Building	381,979 SF	381,979 SF	381,979 SF
Land Owner	3,638 acres	3,638 acres	3,638 acres
Airport Business Center	11,748 SF	11,748 SF	0 SF
Runways:			
Runway 10/28	9,351 ft x 150 ft	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	7,002 ft x 150 ft
Total Gates	15	15	15
Terminal Gates in Use	12	15	15
Number of Airlines Serviced	21	27	29
Number of Rental Car Agencies on Property	8	8	8
Number of Taxi/Limousine Companies Servicing Airport	67	64	83
Number of Concessionaires in Terminal Building	20	20	20
Number of Public Parking Spaces	3,924	4,979	4,979

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Savannah Airport Commission (the Commission), as of and for the year ended December 31, 2022 and 2021, 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 29, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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.

Hancock Arthur & Co., LLP

Savannah, Georgia
June 29, 2022



**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

Opinion on Each Major Federal Program

We have audited the Savannah Airport Commission's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2022. 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.

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 each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Hancock Arthur & Co., LLP

Savannah, Georgia
June 29, 2022

**SAVANNAH
HILTON HEAD**

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



Savannah Airport Commission

Schedule of Expenditures of Federal Awards

December 31, 2022

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	\$ 11,874,804
COVID-19 – Airport Coronavirus Response Grant Program	20.106	N/A	4,989,916
COVID-19 – Airport Rescue Grant Program	20.106	N/A	4,243,209
COVID-19 – Airport Coronavirus Response Grant Program Concessions Addendum	20.106	N/A	312,985
			21,420,914
Federal Department of Defense			
United States Property and Fiscal Office for Georgia			
Military Construction, National Guard	12.400	N/A	1,586,330
			\$ 23,007,244

See notes to schedule of expenditures of federal awards.

Savannah Airport Commission

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 capital contributions in the amount of \$23,007,244.

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, 2022

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
12.400	United States Property and Fiscal Office for Georgia - Military Construction, National Guard

Dollar threshold used to distinguish between Type A and Type B programs		\$750,000		
Auditee qualified as low-risk auditee?	_____	X	yes	_____ no

Savannah Airport Commission

Schedule of Findings and Questioned Costs (cont.)

Passenger Facility Charges (PFC) Program

Internal control over financial reporting

Material weakness identified?

_____ yes X no

Significant deficiency identified not considered
to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance for PFC
program:

Unmodified

Any audit findings disclosed?

_____ yes X no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings

None reported

Section IV – PFC Program Findings and Questioned Costs

No matters were reportable.



**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

Opinion on Passenger Facility Charge Program

We have audited Savannah Airport Commission's (the Commission) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on the Commission's passenger facility charge program for the year ended December 31, 2022.

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, 2022.

Basis for Opinion on Passenger Facility Charge Program

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. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Hancock Attkin & Co., LLP

Savannah, Georgia
June 29, 2023

Savannah Airport Commission

Schedule of Passenger Facility Charges

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
PFC Income						
PFC Revenue	\$ 1,396,165	\$ 2,019,702	\$ 1,825,336	\$ 1,704,492	\$ 6,945,695	\$ 101,943,745
Interest	417	466	476	90,659	92,018	937,655
Total PFC Income	\$ 1,396,582	\$ 2,020,168	\$ 1,825,812	\$ 1,795,151	\$ 7,037,713	\$ 102,881,400
Expenditures by project						
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
AAAAE (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

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
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
AIRFIELD LIGHT CONTROL	-	-	-	-	-	229,540
TERMINAL APRON-AIP 33-TRIANGLE INV#4-10	-	-	-	-	-	144,424
TERMINAL APRON-AIP 33-URS	-	-	-	-	-	652
TERMINAL APRON-AIP 33-S&ME	-	-	-	-	-	987
TERMINAL APRON-AIP 33-SAC REIMB	-	-	-	-	-	64,839
BUILDOUT GATE 9 & 10-SAC REIMB	-	-	-	-	-	532,393
GA TWY #2-TRIANGLE INV#8-10	-	-	-	-	-	110,405
GA TWY #2-URS	-	-	-	-	-	2,390
GA TWY #2-S&ME	-	-	-	-	-	1,180
GA TWY #2-SAC REIMB	-	-	-	-	-	178,382
LOADING BRIDGES (PURCHASE 6 FMC)	-	-	-	-	-	829,960
LOADING BRIDGES FMC (REIMB SAC)	-	-	-	-	-	1,003,162
RICONDO & ASSOC. - PFC APPLICATION #4- REIMB SAC	-	-	-	-	-	25,972
T/W "F" AIP 34 - SHAMROCK	-	-	-	-	-	158,501
T/W "F" AIP 34 - URS	-	-	-	-	-	1,786
T/W "F" AIP 34 - S & ME	-	-	-	-	-	1,188
T/W "F" AIP 34 - REIMB SAC	-	-	-	-	-	7,699
AIR CARGO APRON AIP 34 - SHAMROCK	-	-	-	-	-	83,354
AIR CARGO APRON AIP 34 - URS	-	-	-	-	-	595
AIR CARGO APRON AIP 34 - S & ME	-	-	-	-	-	396
AIR CARGO APRON AIP 34 - REIMB SAC	-	-	-	-	-	1,905
PAPI AIP 34 - SHAMROCK	-	-	-	-	-	8,266
RICONDO & ASSOC. - PFC APPLICATION #5- REIMB SAC	-	-	-	-	-	16,000
AAAE INTERACTIVE TRAINING - REIMB. SAC (APPL. #5)	-	-	-	-	-	38,000
FINGERPRINT MACHINE - REIMB. SAC (APPL. #5)	-	-	-	-	-	2,272
SO. BAGGAGE CAROUSEL - REIMB. SAC (APPL. #5)	-	-	-	-	-	245,519
VALET BAG 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

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
SW QUAD ACCESS ROAD AIP 36 - R. B. BAKER	-	-	-	-	-	172,117
SW QUAD ACCESS ROAD AIP 36 - REIMB SAC	-	-	-	-	-	32,210
SW QUAD ACCESS ROAD AIP 36 - URS	-	-	-	-	-	990
ESCALATOR #1A (APPL. #4)	-	-	-	-	-	148,818
ESCALATOR #1A (APPL. #4) REIMB SAC	-	-	-	-	-	4,227
PURCHASE / RENOVATE LOADING BRIDGES (APPL. #5)	-	-	-	-	-	909,988
PURCHASE / RENOVATE LOADING BRIDGES REIMB SAC	-	-	-	-	-	26
FLIGHT INFORMATION DISPLAY SYSTEM (APPL. #5)	-	-	-	-	-	764,073
DESIGN & CONSTRUCT GA TAXIWAYS (APPL. #5)	-	-	-	-	-	134,240
RELOCATE AIRFIELD LIGHTING CONTROLS- ATCT AIP 38 -SAC REIMB	-	-	-	-	-	10,988
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

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Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
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
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

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
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

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
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
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	-	5,118	-	-	5,118	28,707
TERMINAL WALKWAYS-MILLER-APP(#8)	-	-	-	-	-	6,485
GA TAXIWAY 4 & 5-REIMB SAC (APP#8)	-	25,783	-	-	25,783	44,422
PFC APPLICATION #8 IMPLEMENTATION & ADMIN-REIMB SAC	-	-	-	-	-	27,921
EA NORTH DEVELOPMENT-APPLICATION #8- REIMB SAC	-	8,683	-	-	8,683	27,665
SURFACE PAINTED HOLDING POSITION SIGNS- REIMB SAC-APP # 8	-	1	-	-	1	185,021
CCTV SYSTEM REPLACEMENT-REIMB SAC APP #8	-	207,898	-	-	207,898	269,319
CCTV SYSTEM REPLACEMENT-COASTAL DIGITAL	-	-	-	-	-	33
CCTV SYSTEM REPLACEMENT-URS& I SYSTEM CORP	-	-	-	-	-	861,066
IET UPGRADE	-	150,000	-	-	150,000	150,000
PC AIR HOSE UPGRADES-TWIST IN	-	-	-	-	-	186,480
PC AIR HOSE UPGRADES-TWIST IN-REIMB SAC	-	23,100	-	-	23,100	46,620
PA SYSTEM REPLACEMENT-ALLTEL SYSTEM GRP, INC	-	-	-	-	-	278,002
PA SYSTEM REPLACEMENT - REIMB SAC	-	51,181	-	-	51,181	49,059
TWO VALET BAG BELTS SYSTEMS-R.J DESIGN	-	-	-	-	-	61,000
AOA SURVEY -URS	-	-	-	-	-	62,500
AOA SURVEY - REIMB SAC	-	24,730	-	-	24,730	12,230
TREE REMOVAL R/W 10 APPROACH-REIMB SAC	-	11,753	-	-	11,753	167,615
T/W A -NAD -MCLENDON/URS CONSTR	-	-	-	-	-	453,739
T/W A EXTENSION NORTH - CONSTRUCTION - REIMB SAC	-	377,946	-	-	377,946	1,877,946
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	-	26,246	-	-	26,246	42,396
SITE MITIGATIONS (NAD)	-	66,771	-	-	66,771	126,771
REALIGN & CONSTRUCT GULFSTREAM RD - CONSTRUCTION - REIMB SAC	-	1	-	-	1	55,034

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
REALIGN & CONSTRUCT GULFSTREAM RD - DESIGN - REIMB PFC	-	-	-	-	-	(3,263)
STORMWATER UPDATE	-	23,075	-	-	23,075	23,075
REALIGN & CONSTRUCT GULFSTREAM ROAD (DESIGN)	-	7,806	-	-	7,806	7,806
TAXIWAY A EXTENSION NORTH (DESIGN)	-	56,361	-	-	56,361	56,361
ELECTRICAL VAULT (DESIGN)	-	2,915	-	-	2,915	2,915
TAXIWAY H (DESIGN)	-	30,124	-	-	30,124	30,124
TRAFFIC SURVEY NAD (DESIGN)	-	2,028	-	-	2,028	2,028
PFC IMPLEMENTATION AND ADMIN.-SAC REIMB (APPL #8&9)	-	1,518	-	-	1,518	41,118
LIGHTING 10/28 RUNWAY	-	-	-	-	-	41,257
TERMINAL CURBSIDE CANOPY EXPANSION	-	1	-	-	1	1,407,900
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	-	52,694	-	-	52,694	179,760
IN-LINE BAGGAGE SYSTEM	-	461,025	-	-	461,025	7,840,056
GROOVE RUNWAY 1-19	-	(1,629)	-	-	(1,629)	20,425
PFC 10 APPLICATION COSTS	-	-	-	-	-	23,100
ADD 2 AOA GATES	-	-	-	-	-	26,954
RUNWAY 28 SAFETY AREA IMPROVEMENTS	-	-	-	-	-	33,431
REPLACEMENT OF BOARDING BRIDGES AT GATES 7 & 11	-	135,421	-	-	135,421	1,468,754
RECONSTRUCT TAXILANE GA-3	-	-	-	-	-	122,995
RECONSTRUCT TAXIWAY E-1	-	-	-	-	-	130,555
RUNWAY LIGHTING UPGRADES	-	-	-	-	-	58,824
AIRFIELD SIGNAGE UPGRADES	-	-	-	-	-	58,841
INSTALL 5 NEW JETBRIDGES FOR TEMRINAL EXPANSION	-	-	-	-	-	-
JUMBO GA FIS FACILITY	-	-	-	-	-	700,073
REPLACE 7 JETBRIDGE PC AIR UNITS	-	-	-	-	-	-
TERMINAL APRON EXPANSION	-	-	-	-	-	761,053
IDENTITY MANAGEMENT SYSTEM	-	-	-	-	-	-
PFC 11 APPLICATION COSTS	-	-	-	-	-	34,298
TERMINAL CONCOURSE AND SECURITY CHECKPOINT EXPANSION	-	-	-	-	-	1,316,119

Savannah Airport Commission

Schedule of Passenger Facility Charges (cont.)

	For the quarter ended				For the year December 31, 2022	Cumulative as of December 31, 2022
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
AUTOMATED BAGGAGE HANDLING SYSTEM PHASE II	-	-	-	-	-	245,591
Total expenditures	-	1,750,550	-	-	1,750,550	81,434,388
Income	1,396,582	269,618	1,825,812	1,795,151	5,287,163	21,447,012
Beginning balance	16,159,856	17,556,438	17,826,056	19,651,868	16,159,856	-
Ending balance	\$ 17,556,438	\$ 17,826,056	\$ 19,651,868	\$ 21,447,019	\$ 21,447,019	\$ 21,447,012



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