Comprehensive Annual Financial Report

Columbus Regional Airport Authority

Columbus, Ohio

For the Year Ended December 31, 2013

COLUMBUS
REGIONAL AIRPORT AUTHORITY

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Columbus Regional Airport Authority, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

July 8, 2014

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PORT COLUMBUS
NEWS COLUMBUS
CNBC
Gate A2
Gate A1
Gates C46-C54
Gate C56
Gate C55
CMH

Comprehensive Annual Financial Report

Columbus Regional Airport Authority
Columbus, Ohio
For the Year Ended December 31, 2013

Prepared by:
Randy Bush, CPA, CGMA, CIA
Chief Financial Officer

Paul Streitenberger, CPA, CGMA
Director, Accounting & Finance

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Table of Contents

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Introductory Section

This section contains the following subsections:

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March 12, 2014

To the Board *of Directors:*

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the year ended December 31, 2013, is proudly prepared and presented by your Accounting/Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the public we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the years ended December 31, 2013 and 2012 is presented in the Management's Discussion and Analysis (MD&A) found in the Financial Section.

This CAFR has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). It is our belief that the accompanying 2013 CAFR meets program standards, and it will be submitted to the GFOA for review.

Reporting *Entity*

The Authority is an independent, special purpose political subdivision of the State of Ohio. It was created as a body corporate and politic on July 30, 1990, by action of the Columbus City Council pursuant to the provisions of the Ohio Revised Code Chapter 4582. On November 10, 1991 (the transfer date), the Authority began operations under a use agreement with the City of Columbus (City) for the purpose of providing airport facilities to the general public. On January 1, 2003, the assets and liabilities of the former Rickenbacker Port Authority, principally the Rickenbacker International Airport, were merged into the Columbus Municipal Airport Authority and the surviving entity was renamed the Columbus Regional Airport Authority. In December 2007, the Authority paid the City the remaining balance on the airport general obligation bonds and received title to the airport property relating to the use agreement. Additional information describing this event may be found in the Overview of the Financial Statements section of the MD&A and in Note 1 to the financial statements.

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

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

Economic ***Conditions and Outlook***

Recent economic conditions have presented many challenges for our community and have significantly impacted the aviation and logistics industries. The financial condition of the Authority is primarily dependent upon the number of passengers using Port Columbus International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry which influences the airlines' willingness and ability to provide service; the available seating capacity of carriers who serve our market; the local economy which influences the willingness and ability of consumers to purchase air travel; and the cost of air travel. When considering these factors, the Authority anticipates minimal growth for the foreseeable future.

The economy of the Greater Columbus area, including Franklin County and the seven surrounding counties, has not encountered the same level of economic downturn as the state or the nation in 2013. The unemployment rate of 6.2% was below that of Ohio (7.4%) and the United States (7.4%). A balance among manufacturing, education and health services, technology, retail, research and financial activities has helped the Columbus economy to better survive periods of slow growth. Unlike most other large U.S. cities, Columbus is not dependent upon one or two industries for its major economic strength and no single activity dominates the economy.

The diversity among Greater Columbus' top six employers – the State of Ohio, The Ohio State University, JP Morgan Chase & Co., OhioHealth, Nationwide, and Limited Brands – is representative of the local economy as a whole. The variety represented by these six employers, which together account for more than 97,000 jobs in Central Ohio, assures that the local economy can withstand some economic slowdowns.

Port Columbus serves 33 airports with 147 daily departures by 8 airlines. In 2013 the Authority served over 6.2 million passengers, down 1.8% from the previous year. Additional data can be found in the Statistical Section of this CAFR.

Meanwhile, 153.7 million pounds of cargo moved through Rickenbacker in 2013 as compared to 157.4 million pounds in 2012. In 2013, 33,269 passengers used the Rickenbacker Charter Terminal as compared to 14,469 in 2012.

Initiatives and ***Development***

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

In December 2009, the Federal Aviation Administration (FAA) announced a letter of intent to provide over $90 million toward the cost of replacing the south runway at Port Columbus International Airport. The replacement of the south runway will enable greater airport capacity by allowing for an increased number of aircraft operations and creating space for a future second terminal. The commissioning of this new runway occurred in August of 2013. The runway work will be completed in 2014 when the old runway is converted to a taxiway.

In October 2012, a three-year, $80 million terminal renovation and modernization program was announced that will position Port Columbus International Airport for future passenger activity and reinforce the airport's $3.7 billion annual economic impact to the Columbus region. The multi-faceted Terminal Modernization Program incorporates a major facelift for the ticket lobby, baggage claim and all three Concourses, as well as mechanical, technological and security upgrades. Funding for this progressive airport initiative, which will ensure the terminal's functionality for at least another 20 years, will be derived from PFCs as well as capital reserve and operating funds.

Renovations to Concourse A and C were substantially completed in 2013. Ticket lobby improvements will begin in early 2014 and Concourse B improvements will begin mid-2014. The entire Terminal Modernization Program will extend through 2015 with no significant impact to operations anticipated.

In June 2013, the Authority began construction of a new Marriott Fairfield Inn & Suites. This hotel will be a 120 room limited service hotel that will support the two existing on-airport hotels. This hotel will be owned directly by the Authority but will be managed under a separate management agreement with a planned opening in August 2014.

Authority's ***Branding and Logo***

In February 2013, the Authority Board of Directors approved a resolution endorsing a comprehensive brand strategy for the Columbus Regional Airport Authority, Port Columbus International Airport, Bolton Field Airport and the multiple components of Rickenbacker including an airport, inland port and foreign-trade zone. The branding provides a new look and feel, a new voice and new logos for the organization. Additionally, an evolved visual identity was adopted to allow the Columbus Regional Airport Authority brand to connect its airports and other assets with the community. This connection reinforces the organization's alignment with the bold new vision of the Columbus brand while establishing a distinctive new icon that allows the Columbus Regional Airport Authority to support its vision to connect Ohio with the world. The comprehensive brand strategy will be implemented in phases, with the full transition completed by mid-2014.

Internal *Control Framework*

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

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

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

Budgetary *Controls and Policies*

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

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

Activity **Highlights**

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

	2013	2012	% Change
Airline Cost	$ 27,652,548	$ 27,445,605	0.8
Enplanements	3,114,891	3,174,814	-1.9
Cost Per Enplaned Passenger	$ 8.88	$ 8.64	2.7

Throughout its existence the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers and visitors to the Airport. It also has diligently controlled the costs passed on to its family of airlines. Airline cost per enplaned passenger (Cost/EP) — the standard employed by the air carriers to determine the relative cost of operating at an airport — is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. For 2013 and 2012, the airline Cost/EP at Port Columbus International Airport has remained competitive at $8.88 and $8.64 respectively. These Cost/EPs continue to compare favorably with other medium hub airports, further reinforcing Port Columbus' reputation as a cost effective, airline-friendly facility.

Independent **Audit**

The Authority's independent auditing firm, Plante & Moran, PLLC, has rendered an unmodified opinion that the Authority's financial statements for December 31, 2013 and 2012, and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Plante & Moran, PLLC, met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1996 and related Office of Management and Budget (OMB) Circular A-133. The independent auditors' reports issued based upon work performed in accordance with those requirements noted no instances of noncompliance by the Authority with any applicable state or federal laws or regulations or other matters that are required to be reported for the fiscal year ending December 31, 2013. A copy of the report can be found in the Compliance Section of this CAFR.

Certificate of ***Achievement***

I am most proud to report that the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the year ended December 31, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The Authority has received this prestigious award for the last twenty-one consecutive years, ended December 31, 2012. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

I want to thank John Byrum, retired CFO, for his leadership and dedication over the last 16 years with the Authority. John's tireless devotion to the financial health of the Authority is a model that will be followed long into the future. I am personally grateful for his mentorship and the legacy of leadership that he leaves with us.

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

Respectfully submitted,

Randy Bush, CPA, CGMA, CIA
Chief Financial Officer

Board *of Directors:*

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Susan Tomasky
President - Retired
AEP Transmission American Electric Power

Vice Chair
William R. Heifner
President
Renier Construction

Directors

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President & Owner
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Central Ohio Transit Authority

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

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

Dwight E. Smith
President & CEO
Sophisticated Systems, Inc

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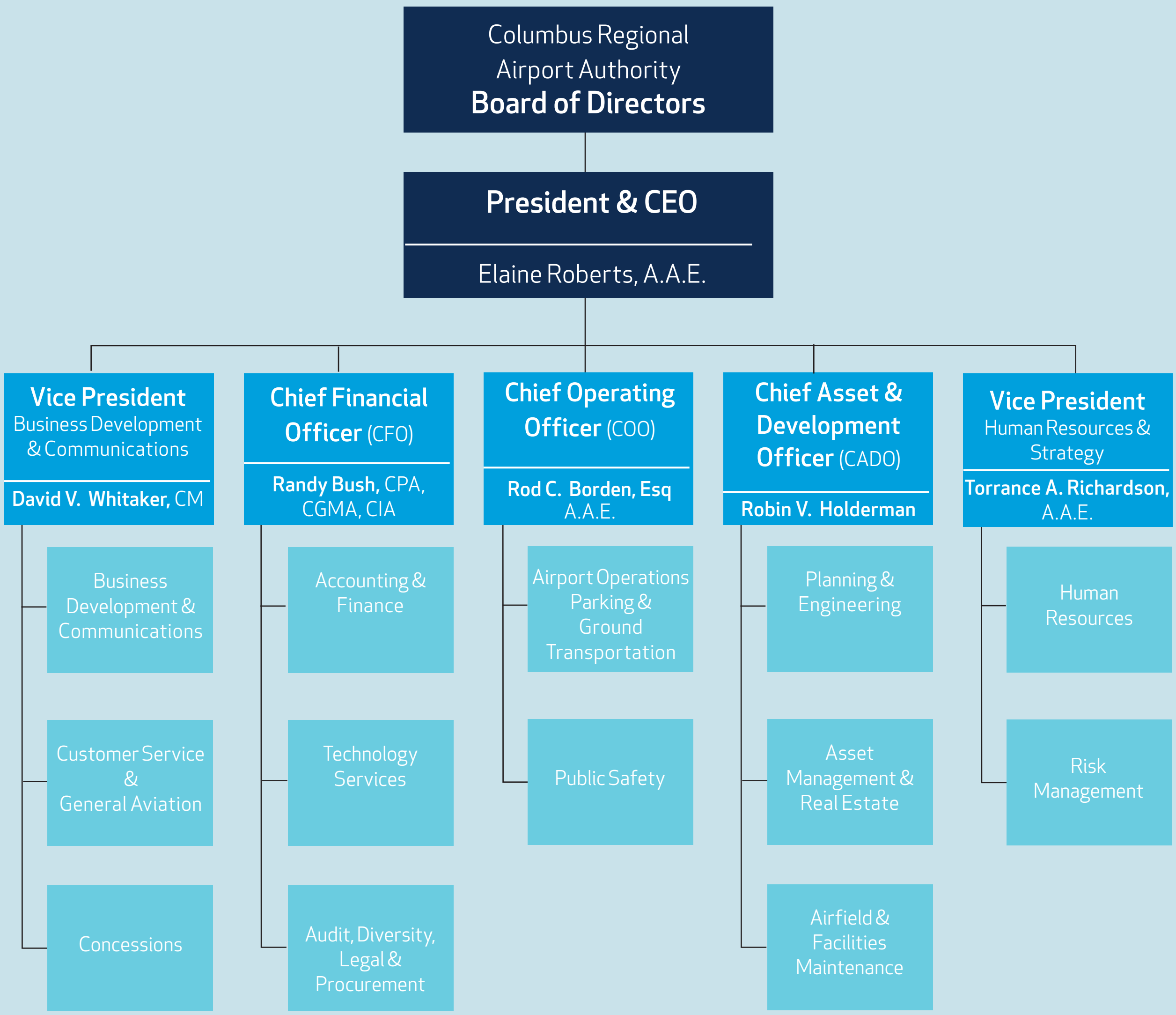
Organization Chart and Senior Management



Senior *Management*

Dennis E. Finch Director, Asset Management

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

James W. Lizotte, PMP Director, Technology Services

Philip A. Gehrish, BSBA, MSCJ, A.A.E. Director, Public Safety

Brian J. Sarkis Vice President, Planning & Engineering

William L. Shelby Vice President, Asset Management

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbus Regional Airport Authority, Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

Jeffrey R. Emer

Executive Director/CEO

Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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

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plante moran

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Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Columbus Regional Airport Authority (the Authority), as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Columbus Regional Airport Authority

Opinions
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Columbus Regional Airport Authority as of December 31, 2013 and 2012 and the changes in its financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17–27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbus Regional Airport Authority's basic financial statements. The supplemental schedule of revenue and expenses: budget vs. actual - budget basis, schedule of expenditures of federal awards, schedule of expenditures of passenger facility charges, and the introductory section and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

To the Board of Directors
Columbus Regional Airport Authority

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014 on our consideration of Columbus Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus Regional Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 12, 2014 except the Schedule of Expenditures
of Federal Awards which is dated June 23, 2014

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of Columbus Regional Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2013 and 2012. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

Overview of the *Financial Statements*

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

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

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

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

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

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

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

Significant *Events*

Port Columbus Opens New South Runway

With a commissioning event on August 22, 2013 for the relocation of a 10,113-foot south runway, the Authority marked the opening and a significant step in the completion of the largest capital project in the 85-year history of Port Columbus. The $140 million replacement runway project was completed on schedule in three years and under budget. The FAA financed nearly 63% of the multi-phase project while the Authority covered remaining costs with operating income and Passenger Facility Charges. The new south runway was built 702 feet south of the former runway, creating sufficient distance from the north runway to accommodate simultaneous aircraft arrivals and departures.

Advance Refunding and Defeasance

On October 8, 2013, the Authority advance refunded Series' 2003A and 2003B Bonds in the amount of $23,210,000 with the issuance of Series' 2013A and 2013B. In completing the 2013 advance refunding, the Authority reduced its debt service payments over 10 years by $4.42 million for an economic gain, present value savings, of $3.27 million.

Port Columbus Completes First Phase of $80 Million Terminal Modernization Program

Nearly a year after the Authority embarked on a major initiative to upgrade its three-concourse, 1958 terminal building, renovations are complete in the six-gate Concourse A. Concourse A finished within Phase 1 budget projections of $3.5 million. Progress continues on Concourse C where passengers will see a $5.9 million transformation, which is anticipated to be finalized in early 2014. Concourse B renovations totaling $11.5 million are scheduled to be completed by the end of 2014. Ticket lobby modernization will begin in 2014 with an anticipated completion in mid-2016. Funding for the entire $80 million Terminal Modernization Program will be derived from Passenger Facility Charges and operating income.

Financial *Highlights*

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

A summary of the Authority's financial highlights for the year 2013 is as follows:

The Authority's total assets increased $13.9 million over 2012. The increase is the result of increases in capital acquisition and construction of capital projects. Current assets decreased $5.4 million primarily due to the decrease in cash and cash equivalents. Non-current assets (unrestricted and restricted) increased $19.3 million primarily due to increased investments in capital assets.

Total liabilities had no significant change from 2012.

Total operating revenues increased $4.0 million over 2012. The increase is primarily a result of higher revenue received from parking and cargo operations.

Total operating expenses increased $3.9 million over 2012. The increase is primarily the result of increases associated with materials and supplies, and employee wages and benefits.

A summary of the Authority's financial highlights for the year 2012 is as follows:
The Authority's total assets increased $57.9 million over 2011. The increase is the result of increases in capital acquisition and construction of capital projects. Current assets increased $25.2 million primarily due to the increase in grants receivable as a result of the continuation of federal grant related projects. Non-current assets (unrestricted and restricted) increased $32.7 million primarily due to increased investments in capital assets.

Total liabilities increased $6.9 million from 2011. The increase was due primarily to the $20.0 million Revolving Bank Loan which funded portions of the capital assets.

Total operating revenues increased $3.5 million over 2011. The increase is primarily a result of higher revenue received from parking, airlines, and cargo operations.

Total operating expenses decreased $1.2 million over 2011. The decrease is primarily the result of decreases associated with purchased services.

Financial ***Position***

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

	Dollars in 000's			% Change	
	2013	2012	2011	2013	2012
ASSETS					
Current Assets — Unrestricted	$ 63,739	$ 69,202	$ 43,990	-7.9	57.3
Capital Assets	739,183	723,223	689,526	2.2	4.9
Other Non-Current Assets — Unrestricted	61,091	53,781	53,106	13.6	1.3
Other Non-Current Assets — Restricted	22,790	26,714	28,352	-14.7	-5.8
Total Assets	**886,803**	**872,920**	**814,974**	**1.6**	**7.1**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss On Bond Refunding, Net of Accumulated Amortization	1,462	1,648	1,832	-11.3	-10.0
LIABILITIES					
Current Liabilities — Unrestricted	23,137	19,872	21,329	16.4	-6.8
Long-Term Liabilities — Restricted	32,139	25,926	13,068	24.0	98.4
Long-Term Liabilities — Unrestricted	87,025	96,188	100,639	-9.5	-4.4
Total Liabilities	**142,301**	**141,986**	**135,036**	**0.2**	**5.1**
NET POSITION					
Net Investment In Capital Assets	636,187	616,650	593,782	3.2	3.9
Net Position — Restricted	20,639	25,030	24,336	-17.5	2.9
Net Position — Unrestricted	89,138	90,902	63,652	-1.9	42.8
Total Net Position	**$ 745,964**	**$ 732,582**	**$ 681,770**	**1.8**	**7.5**

An analysis of significant changes in assets, liabilities, and net position for the year 2013 is as follows:
The Authority's total assets and deferred outflows of resources exceeded total liabilities by $746.0 million, a $13.4 million increase over December 31, 2012. The largest portion of the Authority's net position each year ($636.2 million or 85% at December 31, 2013) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers, and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position ($20.6 million or 3% at December 31, 2013) represents resources that are subject to restrictions on how they can be used. These resources are not available for new spending because they have already been committed to fund bond reserves.

The remaining unrestricted net position of $89.1 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

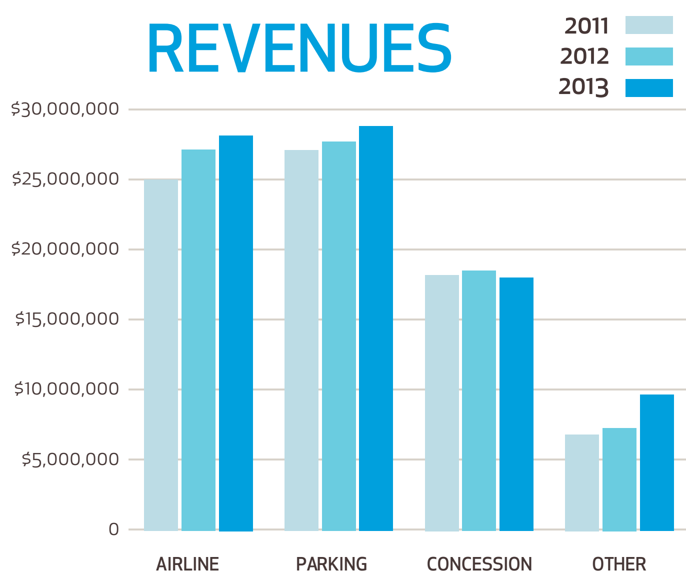
An analysis of significant changes in assets, liabilities, and net position for the year 2012 is as follows:
The Authority's total assets and deferred outflows of resources exceeded total liabilities by $732.6 million, a $50.8 million increase over December 31, 2011. The largest portion of the Authority's net position each year ($616.7 million or 84% at December 31, 2012) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers, and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position ($25.0 million or 3% at December 31, 2012) represents resources that are subject to restrictions on how they can be used. These resources are not available for new spending because they have already been committed to fund bond reserves.

The remaining unrestricted net position of $90.9 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

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

	Dollars in 000's 2013	2012	2011	% Change 2013	2012
Airline Revenue	$ 28,241	$ 27,222	$ 25,085	3.7	8.5
Parking Revenue	28,888	27,788	27,188	4.0	2.2
Concession Revenue	18,091	18,578	18,276	-2.6	1.7
General Aviation Revenue	3,429	2,522	2,602	36.0	-3.1
Cargo Operations Revenue	4,064	2,240	1,648	81.4	35.9
Foreign Trade Zone Fees	370	380	382	-2.6	0.5
Other Revenue	1,869	2,218	2,268	-15.7	-2.2
Total Operating Revenues	**$ 84,952**	**$ 80,948**	**$ 77,449**	**4.9**	**4.5**



An analysis of significant changes in revenues for the year 2013 is as follows:

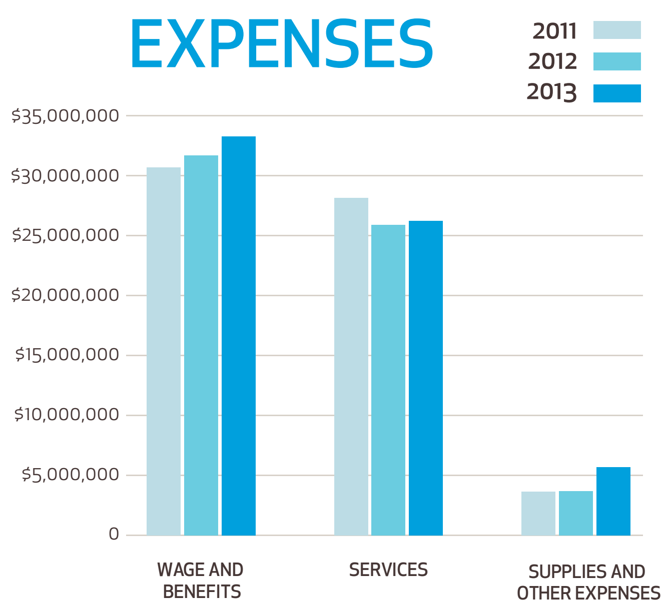
- General Aviation Revenue increased 36% or $907,000. This is due to higher use fee collections in 2013.
- Cargo Operations Revenue increased 81% or $1.8 million. This is due to FBO services at Rickenbacker Inland Port which started operations in the fourth quarter of 2012.

An analysis of significant changes in revenues for the year 2012 is as follows:

- Airline Revenue increased 8.5% or $2.1 million. The increase is due to a lower General Airline Credit for 2012.

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

	Dollars in 000's			% Change	
	2013	2012	2011	2013	2012
Employee Wages & Benefits	$ 33,267	$ 31,672	$ 30,680	5.0	3.2
Purchase of Services	26,224	25,878	28,128	1.3	-8.0
Materials & Supplies	5,621	3,672	3,599	53.1	2.0
Other Expenses	60	17	61	252.9	-72.1
Total Operating Expenses	**$ 65,172**	**$ 61,239**	**$ 62,468**	**6.4**	**-2.0**



An analysis of significant changes in expenses for the year 2013 is as follows:

- Materials and Supplies increased 53% or $2.0 million. This is due to FBO services at Rickenbacker Inland Port, which started operations in the fourth quarter of 2012.

An analysis of significant changes in expenses for the year 2012 is as follows:

- Purchase of Services decreased 8% or $2.3 million. This is due to $5 million in upfront direct costs associated with a new long-term lease tenant in 2011, resulting in unusually high professional fees in 2011.

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

	Dollars in 000's			% Change	
	2013	2012	2011	2013	2012
Total Operating Revenues	$ 84,952	$ 80,948	$ 77,449	4.9	4.5
Total Operating Expenses	(65,172)	(61,239)	(62,468)	6.4	-2.0
Operating Income before Depreciation	19,780	19,709	14,981	0.4	31.6
Depreciation	(38,312)	(35,259)	(33,777)	8.7	4.4
Operating Loss	(18,532)	(15,550)	(18,796)	19.2	-17.3
Investment Income	319	447	804	-28.6	-44.4
Passenger Facility Charges	12,238	12,954	13,059	-5.5	-0.8
Rental Car Facility Charges	6,470	6,257	5,615	3.4	11.4
Interest Expense	(3,718)	(3,929)	(4,136)	-5.4	-5.0
(Loss) Gain On Securities	(195)	17	18	-1,247.1	-5.6
Amortization of Deferred Charges	(185)	(185)	(185)	0.0	0.0
Gain (Loss) On Disposal of Assets	73	2,265	(2,095)	-96.8	-208.1
Other Non-Operating Revenue	2,712	2,766	5,354	-2.0	-48.3
(Loss) Income before Capital Contributions	**(818)**	**5,042**	**(362)**	**-116.2**	**-1,492.8**
Capital Contributions	14,200	45,770	34,276	-69.0	33.5
Increase in Net Position	**13,382**	**50,812**	**33,914**	**-73.7**	**49.8**
Net Position - Beginning of Year	732,582	681,770	647,856	7.5	5.2
Net Position - End of Year	**$ 745,964**	**$ 732,582**	**$ 681,770**	**1.8**	**7.5**

An analysis of significant changes in net position for the year 2013 is as follows:

- Capital Contributions from federal and state funding sources decreased by 69.0% or $31.6 million related to the runway 10R-28L replacement at Port Columbus and rehabilitation of R/W 5R-23L at Rickenbacker Inland Port.

An analysis of significant changes in net position for the year 2012 is as follows:

- Capital Contributions from federal and state funding sources increased by 33.5% or $11.5 million related to the runway 10R-28L replacement and purchase of checked baggage screening equipment and installation.
- Rental Car Facility Charges increased 11.4% or $642,000 as a result of rate increases effective June 1, 2011 being collected for the entire year of 2012 and increased activity.

Capital **Assets**

The Authority's capital assets as of December 31, 2013 totaled $739.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, runways, taxiways and roads, construction in progress, furniture, and machinery and equipment. The total increase in the Authority's investment in capital assets before accumulated depreciation for 2013 was 4.7% or $53.7 million.

Major capital projects in progress and expenditures incurred during 2013 included the following:

Runway 10R-28L Replacement - CMH	$ 12,536,000
Fairfield Inn and Suites - CMH	5,150,000
Concourse C Renovations - CMH	4,619,000
Concourse A Renovations - CMH	3,307,000
Convert Existing Runway 10R-28L to Taxiway - CMH	3,247,000
Data Center Relocation - CMH	2,649,000
Rickenbacker Parkway Phase IIB - LCK	2,533,000
Ticket Lobby Upgrades - CM	1,624,000

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

Debt **Administration**

Airport Improvement Revenue Bonds, Series 1998AB

On February 1, 1998, the CMAA issued Airport Improvement Revenue Bonds, Series 1998AB in the principal amount of $87,290,000, in varying maturities up to 30 years. On April 12, 2007, a partial refunding occurred for the bonds with a par value of $61,965,000 with proceeds from the Airport Improvement Revenue Bonds, Series 2007. On January 1, 2013, the Authority paid off the remaining balance of these bonds.

Airport Refunding Revenue Bonds, Series 2003AB

On October 28, 2003, the Authority issued Airport Refunding Revenue Bonds, Series 2003AB in the principal amount of $33,445,000, in varying maturities up to 20 years. The bond proceeds were used primarily to refund the Authority's Series 1994A bonds. On October 8, 2013, the 2003 AB bonds were refunded with cash reserves and proceeds from the Airport Refunding Revenue Bonds, Series 2013B.

Airport Refunding Revenue Bonds, Series 2007

On April 12, 2007, the Authority issued Airport Refunding Revenue Bonds, Series 2007 in the principal amount of $59,750,000, in varying maturities up to 20 years. The bond proceeds were used primarily to refund a portion of the Authority's Series 1998B bonds. Starting in 2014, the bonds have annual principal payment amounts from $2,805,000 to $5,475,000.

The balance outstanding as of December 31, 2013 was $59,750,000.

Airport Refunding Revenue Bonds, Series 2013AB

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

The balance outstanding as of December 31, 2013 was $17,600,000.

Ohio Public Works Commission Debt

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

The balance outstanding as of December 31, 2013 was $74,450.

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

Passenger Facility Charge *(PFC)*

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of $3.00 per enplaned passenger. In January 2002, the FAA approved the Authority's request to increase the PFC level to $4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. In 2007, the Authority received approval to collect on its application effective December 26, 2007, in the amount of $71.1 million. The newest application, which was approved on January 28, 2011, adds an additional $185 million to the collectible amount and will extend the collection date to February 1, 2024. Through December 31, 2013, the Authority has collected PFCs, including interest earnings thereon, totaling $260 million.

Airline *Rates and Charges*

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

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

	Dollars in 000's			% Change	
	2013	2012	2011	2013	2012
Landing Fees (per 1,000 lbs.)	$ 2.73	$ 2.51	$ 2.90	8.8	-13.4
Terminal Rental Rate (Average)	65.39	66.32	63.78	-1.4	4.0
Apron Fee — Square Foot Rate Component	2.67	1.74	1.58	53.4	10.1
Apron Fee — Landed Weight Rate Component (per 1,000 lbs.)	0.57	0.35	0.33	62.9	6.1

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

LCK landing fees were as follows:

	Dollars in 000's			% Change	
	2013	2012	2011	2013	2012
Landing Fees (per 1,000 lbs.)	$ 2.23	$ 2.12	$ 2.02	5.2	5.0

Request *for Information*

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

Statements of Net Position

As of December 31, 2013 and 2012

ASSETS	2013	2012
Current Assets		
Cash & Cash Equivalents	$ 16,783,611	$ 22,186,500
Other Investments	9,135,458	9,152,975
Accounts Receivable - Trade & Capital Grants - Net	33,395,555	33,551,268
Accounts Receivable - Other	1,826,375	1,868,806
Interest Receivable	98,769	95,778
Deposits, Prepaid Items, & Other	2,498,953	2,347,104
Total Current Assets	**63,738,721**	**69,202,431**
Non-Current Assets		
Unrestricted Assets:		
Other Investments	60,825,717	53,519,877
Accounts Receivable - Other	264,786	261,593
Land	103,868,856	103,820,541
Construction In Progress	27,981,082	104,364,608
Depreciable Capital Assets - Net of Accumulated Depreciation	607,333,435	515,037,692
Total Unrestricted Non-Current Assets	**800,273,876**	**777,004,311**
Restricted Assets — Cash & Cash Equivalents	**22,789,860**	**26,714,209**
Total Non-Current Assets	**823,063,736**	**803,718,520**
Total Assets	**886,802,457**	**872,920,951**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding (Net of accumulated amortization of $1,111,775 in 2013 and $926,479 in 2012)	$ 1,462,333	$ 1,647,629

See accompanying notes to the financial statements

Statements of Net Position

As of December 31, 2013 and 2012 *(continued)*

LIABILITIES	2013	2012
Current Liabilities		
Accounts Payable — Trade	$ 10,290,383	$ 6,037,030
Accrued Interest Payable	1,493,741	2,128,423
Accrued and Withheld Employee Benefits	5,188,320	4,387,344
Advance Grants & Unearned Rent	1,258,468	1,559,156
Other Accrued Expenses	4,906,348	5,760,145
Total Current Liabilities	**23,137,260**	**19,872,098**
Non-Current Liabilities		
Payable From Restricted Assets - Due Within 1 Year:		
Retainages On Construction Contracts	1,608,852	1,275,080
Customer Deposits & Other	542,452	409,424
Current Portion of Long-Term Debt	4,986,865	4,242,225
Revolving Bank Loan	25,000,000	20,000,000
Total Payable From Restricted Assets - Due Within 1 Year	**32,138,169**	**25,926,729**
Payable From Unrestricted Assets - Due In More Than 1 Year:		
Compensated Absences	1,743,139	1,657,893
Unearned Rent	10,810,736	10,551,772
Long-Term Debt, Less Current Portion - Net	74,471,383	83,978,012
Total Payable From Restricted Assets - Due In More Than 1 Year	**87,025,258**	**96,187,677**
Total Long-Term Liabilities	**119,163,427**	**122,114,406**
Total Liabilities	**142,300,687**	**141,986,504**
NET POSITION		
Net Investment In Capital Assets	636,187,458	616,650,233
Restricted - Bond Reserves	20,638,557	25,029,705
Unrestricted Net Position	89,138,089	90,902,138
TOTAL NET POSITION	**$ 745,964,104**	**$ 732,582,076**

See accompanying notes to the financial statements

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended December 31, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Airline Revenue	$ 28,241,349	$ 27,222,475
Parking Revenue	28,888,049	27,788,050
Concession Revenue	18,091,460	18,577,680
General Aviation Revenue	3,428,555	2,522,345
Cargo Operations Revenue	4,063,570	2,239,556
Foreign Trade Zone Fees	370,432	379,912
Other Revenue	1,869,050	2,218,504
Total Operating Revenues	**84,952,465**	**80,948,522**
OPERATING EXPENSES		
Employee Wages & Benefits	33,267,373	31,671,666
Purchase of Services	26,224,103	25,878,396
Materials & Supplies	5,620,586	3,672,507
Other Expenses	59,788	16,869
Total Operating Expenses	**65,171,850**	**61,239,438**
Operating Income Before Depreciation	19,780,615	19,709,084
Less: Depreciation	38,312,237	35,258,532
Operating Loss	**(18,531,622)**	**(15,549,448)**
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	319,426	447,251
Other Non-Operating Revenues	2,711,895	2,765,598
Passenger Facility Charges	12,238,285	12,954,282
Rental Car Facility Charges	6,469,716	6,257,020
Interest Expense	(3,717,551)	(3,929,375)
(Loss) Gain On Securities	(195,425)	17,184
Amortization of Deferred Charges	(185,296)	(185,296)
Gain On Disposal of Assets	72,584	2,264,903
Total Non-Operating Revenues	**17,713,634**	**20,591,567**
(Loss) Income Before Capital Contributions	**(817,988)**	**5,042,119**
Capital Contributions	14,200,016	45,769,882
Increase In Net Position	**13,382,028**	**50,812,001**
Total Net Position - Beginning of Year	732,582,076	681,770,075
Total Net Position — End of Year	**$ 745,964,104**	**$ 732,582,076**

See accompanying notes to the financial statements

Statements of Cash Flows

For the Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 83,890,660	$ 82,247,153
Cash Paid To Employees	(32,381,151)	(31,009,995)
Cash Paid To Suppliers	(28,463,955)	(31,711,346)
Other Payments	(59,788)	(16,869)
Net Cash Provided by Operating Activities	**22,985,766**	**19,508,943**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds From Federal, State, & Local Funded Operating Grants	2,711,895	2,765,598
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Property, Plant, & Equipment	(54,127,918)	(72,016,416)
Contributed Capital, Passenger Facility Charges, &Rental Car Facility Charges	34,164,774	43,484,561
Net Payments For Commercial Paper	-	(5,000,000)
Net Proceeds From Revolving Bank Loan	5,000,000	20,000,000
Interest Paid On Bonds, Notes, & Loan	(4,699,773)	(4,263,444)
Principal Payments On Bonds, Notes, &Loan	(26,014,450)	(4,089,450)
Borrowings From Bonds, Notes, & Loan	17,600,000	-
Reimbursements For Projects With Advanced Funded Grants	(343,400)	(279,118)
Proceeds From The Sale of Capital Assets	69,843	2,899,741
Reductions In Tenant Promotional Program	549,928	285,471
Decrease In Discounted Net Future Rents From Golf Course	(68,637)	(105,622)
Increase In Capital Credits	12,047	11,229
Net Cash Used by Capital & Related Financing Activities	**(27,857,586)**	**(19,073,048)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(38,633,251)	(48,814,270)
Proceeds From The Sale of Investments	31,344,928	42,252,115
Interest Received On Cash And Investments	121,010	521,578
Net Cash Used by Investing Activities	**(7,167,313)**	**(6,040,577)**
Net Decrease in Cash & Cash Equivalents	**(9,327,238)**	**(2,839,084)**
Cash & Cash Equivalents — Beginning of Year	**48,900,709**	**51,739,793**
Cash & Cash Equivalents — End of Year	**$ 39,573,471**	**$ 48,900,709**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (18,531,622)	$ (15,549,448)
Adjustments To Reconcile Operating Loss To Net Cash Provided By Operating Activities:		
Depreciation	38,312,237	35,258,532
(Increase) Decrease In Assets:		
Accounts Receivable — Trade And Capital Grants	(1,101,043)	1,528,365
Accounts Receivable — Other	39,238	(229,734)
Deposits, Prepaid Items, & Other	(151,849)	(387,230)
Increase (Decrease) In Liabilities:		
Accounts Payable	4,253,353	(244,218)
Accrued Liabilities	32,425	(770,666)
Customer Deposits	133,028	(96,658)
Net Cash Provided by Operating Activities	**$ 22,985,767**	**$ 19,508,943**

See accompanying notes to the financial statements

Notes to Financial Statements

For Year Ended December 31, 2013

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

Note 1 - *Organization and Reporting Entity*

Organization

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

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

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

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

The RPA was formed under ORC Chapter 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions, and restrictions and reverts to the United States government at the government's option if any covenant is violated and not cured within 60 days. At December 31, 2013 and 2012, the Authority owns approximately 4,100 acres of land contiguous to certain airfield property owned by the United States government at LCK.

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

Reporting Entity

The Authority's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34. The financial statements include all departments and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability also may be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

The Authority is a joint venture of the County.

Note 2 - *Summary of Significant Accounting Policies*

Basis of Accounting

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

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

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

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

Budgetary Data

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

The budgetary process begins in June of each year. Each department manager estimates the expected costs to be incurred for the upcoming year. Revenues are estimated based on history, projected increases and market trends within the aviation industry. The president and CEO is responsible to submit budgets for operating revenues and expenses and capital improvements to the board for approval at least 30 days prior to the beginning of each fiscal year. The budget can be amended by the board subsequent to its adoption. The board amended the original 2013 budget on September 24, 2013, as noted on supplemental schedule of revenue and expenses: budget vs. actual - budget basis.

Cash and Cash Equivalents

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

Investments

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

Capital Contributions

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

Grants for the acquisition and construction of land, property, and certain types of equipment are reported in the statement of revenues, expenses, and changes in net position under the classification of capital contributions.

Receivables

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

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2013 and 2012. The receivable was arrived at primarily by taking the subsequent collection of landing fees, commissions, and real estate taxes, which are received after year end, and recording the portions earned through year end.

Restricted Assets

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

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

Restricted for Bond Reserves — These assets are restricted for the retirement of the Airport Revenue Bonds, Series 1998B, 2003A, 2003B, 2007, 2013A, and 2013B.

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

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

At December 31, 2013, none of the Authority's $20,638,557 of restricted net position on the Statements of Net Position was restricted by enabling legislation for PFCs, as defined by GASB Statement No. 46, Net Assets Restricted by Enabling Legislation. At December 31, 2012, none of the Authority's $25,029,705 of restricted net position on the Statements of Net Position was restricted by enabling legislation for PFCs.

Capital Assets

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

	Total 12/31/2012	Additions	Deletions	Transfers	Total 12/31/2013
DEPRECIABLE CAPITAL ASSETS:					
Buildings	$ 370,372,542	350,105	-	11,030,539	$ 381,753,186
Runways & Other	509,299,005	6,818,433	-	106,201,143	622,318,581
Machinery	56,034,093	6,211,780	(581,776)	-	61,664,097
Furniture	2,407,011	1,255	-	-	2,408,266
Total Depreciable Capital Assets	**938,112,651**	**13,381,573**	**(581,776)**	**117,231,682**	**1,068,144,130**
LESS ACCUMULATED DEPRECIATION:					
Buildings	138,253,941	9,278,150	-	-	147,532,091
Runways & Other	250,468,212	23,537,088	-	-	274,005,300
Machinery	32,230,011	5,433,276	(576,501)	-	37,086,786
Furniture	2,122,795	63,723	-	-	2,186,518
Total Accumulated Depreciation	**423,074,959**	**38,312,237**	**(576,501)**	**-**	**460,810,695**
Depreciable Capital Assets - Net	**$ 515,037,692**	**(24,930,664)**	**(5,275)**	**117,231,682**	**$ 607,333,435**
NONDEPRECIABLE CAPITAL ASSETS:					
Land	$ 103,820,541	112,032	(63,717)	-	$ 103,868,856
Construction In Progress	$104,364,608	40,848,156	-	(117,231,682)	$ 27,981,082

	Total 12/31/2011	Additions	Deletions	Transfers	Total 12/31/2012
DEPRECIABLE CAPITAL ASSETS:					
Buildings	$ 366,015,853	1,211,558	-	3,145,131	$ 370,372,542
Runways & Other	493,923,433	1,586,049	-	13,789,523	509,299,005
Machinery	50,299,999	8,159,333	(2,425,239)	-	56,034,093
Furniture	2,862,872	-	(455,861)	-	2,407,011
Total Depreciable Capital Assets	**913,102,157**	**10,956,940**	**(2,881,100)**	**16,934,654**	**938,112,651**
LESS ACCUMULATED DEPRECIATION:					
Buildings	129,063,778	9,190,163	-	-	138,253,941
Runways & Other	229,410,503	21,057,709	-	-	250,468,212
Machinery	29,762,208	4,817,383	(2,349,580)	-	32,230,011
Furniture	2,383,538	193,277	(454,020)	-	2,122,795
Total Accumulated Depreciation	**390,620,027**	**35,258,532**	**(2,803,600)**	**-**	**423,074,959**
Depreciable Capital Assets - Net	**$ 522,482,130**	**(24,301,592)**	**(77,500)**	**16,934,654**	**$ 515,037,692**
NONDEPRECIABLE CAPITAL ASSETS:					
Land	$ 103,732,926	447,273	(359,658)	-	$ 103,820,541
Construction In Progress	$ 63,311,453	58,185,489	(197,680)	(16,934,654)	$ 104,364,608

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

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

Compensated Absences

In conformity with GASB Statement No. 16, Accounting for Compensated Absences, the Authority accrues vacation and sick pay benefits as earned by its employees utilizing the vesting method. **A summary of the changes in compensated absences for the year ended December 31, 2013 is summarized as follows:**

	Total 12/31/2012	Additions	Payments	Total 12/31/13	Current Portion
Compensated Absences	$4,057,893	$2,707,652	$2,522,406	$4,243,139	$2,500,000

A summary of the changes in compensated absences for the year ended December 31, 2012 is summarized as follows:

	Total 12/31/2011	Additions	Payments	Total 12/31/12	Current Portion
Compensated Absences	$3,935,529	$2,496,358	$2,373,994	$4,057,893	$2,400,000

Risk Management

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

The Authority carries property insurance on airport property and equipment in the aggregate sum of approximately $711 million and $700 million as of December 31, 2013 and 2012, respectively. The Authority carries liability insurance coverage in the amount of approximately $288 million and $303 million as of December 31, 2013 and 2012, respectively.

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

	2013	2012
Beginning Balance	$ 329,816	$ 78,864
Payments	(519,888)	(194,402)
Accruals	391,456	445,354
Ending Balance	**$ 201,384**	**$ 329,816**

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

Pension Plans and Other Postemployment Benefits

Pension and retiree healthcare costs are recognized as the pension and OPEB plans are funded, in accordance with actuarial valuations. A provision is recorded when covered payroll is accrued at the current contribution rates (see Note 10).

Revenue

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

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

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

Passenger Facility Charges

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

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

Customer Facility Charges (Rental Cars)

The Authority collects a Customer Facility Charge (CFC) from all rental car concessionaires that operate facilities at the airport. Under an adopting resolution, CFCs may be pledged or dedicated for the benefit of the rental car concessionaires. No immediate need has been identified or planned for these funds, and no anticipated legal requirements or disclosures exist that would require these assets to be restricted.

Note 3 - *Cash and Cash Equivalents*

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner generally consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013 and 2012.

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

Deposits with Financial Institutions

At December 31, 2013, the carrying amount of the Authority's deposits with financial institutions was $353,673 and the bank balance was $1,267,273. Based upon criteria described in GASB Statement No. 3, Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements, $750,000 of the bank balance was covered by deposit insurance provided by the FDIC, and $517,273 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

At December 31, 2012, the carrying amount of the Authority's deposits with financial institutions was $515,507 and the bank balance was $1,574,019. Based upon criteria described in GASB Statement No. 3, Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements, $750,000 of the bank balance was covered by deposit insurance provided by the FDIC, and $824,019 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

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

In addition, the Authority had $9,200 in cash on hand at December 31, 2013 and 2012.

Investments

As of December 31, 2013, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	$69,961,175	AAA/Aaa	847

As of December 31, 2012, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	$62,672,852	AAA/Aaa	967

The Authority's unrestricted and restricted cash and cash equivalents included $11,603,099 of money market funds, $17,023,031 of repurchase agreements, and $10,588,623 of STAR Ohio funds as of December 31, 2013. The

Authority's unrestricted and restricted cash and cash equivalents included $20,220,483 of money market funds, $17,754,607 of repurchase agreements, and $10,400,914 of STAR Ohio funds as of December 31, 2012. Standard & Poor's rating for the STAR Ohio fund is AAA.

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

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

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

Custodial Credit Risk — The Authority's unrestricted and restricted investments at December 31, 2013 and 2012 are insured, registered, or are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

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

Note 4 - *Restricted Cash and Investments*

The following amounts represent restricted cash and investments as of December 31, 2013 and 2012:

	2013	2012
CASH AND INVESTMENTS:		
Restricted For Debt Service	$ 20,638,557	$ 25,029,705
Retainages On Construction Contracts	1,608,851	1,275,080
Customer Deposits & Other	542,452	409,424
Total Restricted Cash & Investments	**$ 22,789,860**	**$ 26,714,209**

Note 5 - *Receivables*

The following amounts represent receivables due to the Authority at December 31, 2013 and 2012:

	2013	2012
UNRESTRICTED		
Current:		
Accounts Receivable - Trade	$ 7,996,237	$ 6,857,408
Accounts Receivable - Capital Grants	25,498,307	29,755,063
Less Allowance For Uncollectables	(98,989)	(3,061,203)
Total Current Unrestricted Trade Receivables	**33,395,555**	**33,551,268**
Accounts Receivable - Other	1,826,375	1,868,806
Non-Current - Accounts Receivable - Other	264,786	261,593
Total Unrestricted Receivables	**$ 35,486,716**	**$ 35,681,667**

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

Under the Subordinated Obligations Trust Indenture and Credit Facility Agreement dated June 14, 2012, the Authority is authorized via a revolving loan in the form of Credit Facility Bonds to borrow up to $70 million from the Credit Facility Provider, PNC Bank. The authorized maximum commitment decreases to $60 million beginning January 1, 2015, $50 million beginning January 1, 2016, and $40 million beginning January 1, 2017, until maturity of the agreement on December 31, 2018. The facility is subordinated to the Authority's senior revenue bonds (see Note 9) and payable on a subordinated basis from the Authority's net revenues and investment income.

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

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

The tax exempt outstanding borrowings at December 31, 2013 and 2012 are $25,000,000 and $20,000,000, respectively, at a rate of approximately 1.00%.

Credit facility agreement information and activity as of and for the year ended December 31, 2013 is presented below:

	Total 12/31/2012	Additions	Payments	Total 12/31/13	Current Portion
Series 2012A	$20,000,000	$ 4,000,000	$ 15,000,000	$ 9,000,000	$ 9,000,000
Series 2012B	-	16,000,000	-	16,000,000	16,000,000
Total	**$20,000,000**	**$20,000,000**	**$15,000,000**	**$25,000,000**	**$25,000,000**

Credit facility agreement information and activity as of and for the year ended December 31, 2012 is presented below:

	Total 12/31/2011	Additions	Payments	Total 12/31/12	Current Portion
Series 2012A	$ -	$20,000,000	$ -	$20,000,000	$20,000,000

Note 7 - *Commercial Paper*

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

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

Commercial paper information and activity as of and for the year ended December 31, 2012 is presented below:

	Total 12/31/2011	Additions	Payments	Total 12/31/12	Current Portion
COMMERCIAL PAPER					
Notes - Series A	$5,000,000	$ -	$ 5,000,000	$ -	$ -

Note 8 - *Unearned Income*

Unearned income activity for the year ended December 31, 2013 is summarized as follows:

	Total 12/31/2012	Additions	Payments	Total 12/31/13	Current Portion
Unearned rent -					
Net Discount	$10,758,052	$ 628,006	$ 338,375	$ 11,047,683	$ 236,947
Advance Grants & Other	1,352,876	12,046	343,401	1,021,521	1,021,521
Total	**$ 12,110,928**	**$ 640,052**	**$ 681,776**	**$ 12,069,204**	**$ 1,258,468**

Unearned income activity for the year ended December 31, 2012 is summarized as follows:

	Total 12/31/2011	Additions	Payments	Total 12/31/12	Current Portion
Unearned Rent -					
Net Discount	$10,769,864	$292,434	$ 304,246	$ 10,758,052	$ 206,280
Advance Grants & Other	1,620,764	-	267,888	1,352,876	1,352,876
Total	**$12,390,628**	**$292,434**	**$ 572,134**	**$ 12,110,928**	**$ 1,559,156**

Unearned rent for the City Golf Course reflects prepaid rents received by the Authority from the City in 2005 for two golf courses on Authority property and prepaid rents received from DRCS, LLC for certain land at LCK. Advance grants have met all time requirements; however, qualifying expenditures have not been incurred.

Note 9 - *Long-term Debt*

Revenue Bonds

On February 1, 1998, the Authority issued $81,375,000 of Airport Improvement Revenue Bonds, Series 1998B. The bond proceeds were used to construct a new parking facility and improve landside roadways and terminal aprons. On April 12, 2007, bonds with a par value of $61,965,000 were refunded with proceeds from the Airport Refunding Revenue Bonds, Series 2007. The interest rate on the remaining bonds is 5.25%. On January 1, 2013, the Authority paid off the remaining balance of these bonds. Revenue bonds payable at December 31, 2013 and 2012 are $0 and $2,730,000, respectively. The revenue bonds were collateralized by revenue of the Authority established by the trust indenture.

On October 28, 2003, the Authority issued $26,210,000 of Airport Refunding Revenue Bonds, Series 2003A. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account, and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $1,110,000 to $1,945,000 through January 2024. Interest rates range from 4.00% to 5.50% with a weighted average rate of 4.35%. On October 8, 2013, bonds with a par value of $17,045,000 were refunded with cash reserves and proceeds from the Airport Refunding Revenue Bonds, Series 2013A. Revenue bonds payable at December

31, 2013, net of unamortized premium of \$0, are \$0 and at December 31, 2012, net of unamortized premium of \$70,221, are \$18,270,221. The revenue bonds were collateralized by revenue of the Authority established by the trust indenture.

On October 28, 2003, the Authority issued \$7,235,000 of Airport Refunding Revenue Bonds, Series 2003B. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account, and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$310,000 to \$2,845,000 through January 2024. Interest rates range from 3.60% to 4.70% with a weighted average rate of 3.86%. On October 8, 2013, bonds with a par value of \$4,690,000 were refunded with cash reserves and proceeds from the Airport Refunding Revenue Bonds, Series 2013B. Revenue bonds payable at December 31, 2013, net of unamortized premium of \$0, are \$0 and at December 31, 2012, net of unamortized premium of \$19,611, are \$5,029,611. The revenue bonds were collateralized by revenue of the Authority established by the trust indenture.

On April 12, 2007, the Authority issued \$59,750,000 of Airport Refunding Revenue Bonds, Series 2007. The bond proceeds were used to partially refund the Authority's outstanding Airport Improvement Bonds, Series 1998B, fund the Series 2007 Debt Service Reserve Account, and pay the costs of issuance of the Series 2007 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of \$2,805,000 to \$5,475,000 through January 2028. Interest rates range from 4.357% to 5.00% with a weighted average rate of 4.92%. Revenue bonds payable at December 31, 2013, net of unamortized premium of \$2,033,798, are \$61,783,798. Revenue bonds payable at December 31, 2012, net of unamortized premium of \$2,291,505, are \$62,041,505. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

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

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

Advance Refunding and Defeasances

The Authority did advance refund and defease certain bond issues on April 12, 2007 and October 8, 2013. The Authority accounted for the advance refundings in accordance with GASB Statement No. 7, Advance Refunding Resulting in Defeasance of Debt, for the governmental (non-enterprise) debt and GASB Statement No. 23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, for the enterprise-type debt. The refunded bonds are not included in the Authority's outstanding debt since the Authority has in substance satisfied its obligation through advance refunding.

The 2007 advance refunding of the enterprise-type debt resulted in a $2,713,079 difference between the $63,786,542 reacquisition price and the carrying amount of the old debt which was $61,073,463. This difference, deferred amount of refunding, is reported in the financial statements with deferred outflows of resources in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, amortized to operations over the remaining lives of the refunding (new) bonds which equates to the remaining lives of the refunded (old) bonds using the effective interest method. Amortization of the deferred amount on refunding was $185,296 for 2013 and 2012. Unamortized deferral on refunding was $1,462,333 and $1,647,629 in 2013 and 2012, respectively.

The Authority, in completing the 2007 advance refunding, reduced its debt service payments over 20 years by $4.09 million for an economic gain, present value savings, of $2.43 million. The Authority, in completing the 2013 advance refunding, reduced its debt service payments over 10 years by $4.42 million for an economic gain, present value savings, of $3.27 million.

Ohio Public Works Commission

In 1995, the RPA agreed to reimburse the County for debt service on $1,489,000 of an Ohio Public Works Commission loan for storm sewer improvements. The agreement is noninterest-bearing and provides for annual principal payments of $74,450 until January 1, 2015. The entire outstanding balance of $74,450 at December 31, 2013 is the current amount due.

Revenue bond and loan activity for the year ended December 31, 2013 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
BONDS:				
1998B	$ 2,730,000	$ -	$(2,730,000)	$ -
2003A	18,200,000	-	(18,200,000)	-
Unamortized Premium	70,221	-	(70,221)	-
2003B	5,010,000	-	(5,010,000)	-
Unamortized Premium	19,611	-	(19,611)	-
2007	59,750,000	-	-	59,750,000
Unamortized Premium	2,291,505	-	(257,707)	2,033,798
2013A	-	13,805,000	-	13,805,000
2013B	-	3,795,000	-	3,795,000
Loans - Other	148,900	-	(74,450)	74,450
	88,220,237	**$ 17,600,000**	**$(26,361,989)**	79,458,248
Less Current Portion	4,242,225			4,986,865
	$ 83,978,012			**$ 74,471,383**

Revenue bond and loan activity for the year ended December 31, 2012 is summarized as follows:

	Beginning Balance	New Debt	Net Principal Repayment	Ending Balance
BONDS:				
1998B	$ 5,325,000	$ -	$ (2,595,000)	$ 2,730,000
Unamortized Premium	(4,874)	-	4,874	-
2003A	19,310,000	-	(1,110,000)	18,200,000
Unamortized Premium	82,110	-	(11,889)	70,221
2003B	5,320,000	-	(310,000)	5,010,000
Unamortized Premium	22,533	-	(2,922)	19,611
2007	59,750,000	-	-	59,750,000
Unamortized Premium	2,549,213	-	(257,708)	2,291,505
Loans - Other	223,350	-	(74,450)	148,900
	92,577,332	**$ -**	**$ (4,357,095)**	88,220,237
Less Current Portion	4,052,225			4,242,225
	$ 88,525,107			**$ 83,978,012**

Maturities and interest on bonds payable and loans outstanding to the Ohio Public Works Commission for the next five years and in subsequent five-year periods as of December 31, 2013 are as follows:

	Principal	Interest
2014	$ 4,986,865	$ 3,094,626
2015	5,265,909	2,909,891
2016	5,449,053	2,747,748
2017	5,614,853	2,547,964
2018	5,815,319	2,339,497
2019-2023	25,407,451	8,386,140
2024-2028	24,885,000	2,610,000
Total	**$ 77,424,450**	**$ 24,635,866**

Unamortized premium was $2,033,798 and $2,381,337 at December 31, 2013 and 2012, respectively.

Note 10 - *Pension Plans and Other Postemployment Benefits*

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

OPERS provides retirement, disability, survivor, and death benefits and annual cost-of-living adjustments to qualifying members of both the TP and CO Plans. Members of the MD Plan do not qualify for ancillary benefits, including postemployment healthcare coverage. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC. In 2011, the employer was required to contribute 14% of active member payroll. For full-time employees hired on April 1, 2011 and thereafter, the portion of an employee's contribution is equal to 10% to be paid by the employee. For full-time employees hired prior to April 1, 2011, the portion of an employee's contribution is equal to a maximum of 6% to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority and a minimum of 4% to be paid by the employee. This amendment was accepted by OPERS and acknowledged as in compliance with IRS guidelines.

Total required employer contributions billed to the Authority were $5,401,735, $5,031,341, and $4,820,968 for the years ended December 31, 2013, 2012, and 2011, respectively, and are equal to 100% of the dollar amount extracted from the Authority's records.

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

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

The postretirement healthcare coverage includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement to qualifying members. In order to qualify for postretirement healthcare coverage, age and service retirees under the TP and CO Plans must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by the retirement system meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension. A portion of each contribution to OPERS is set aside for the funding of postretirement health care.

The ORC provides statutory authority for employer contributions and permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. The ORC currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan. OPERS Postemployment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The 2013 employer contribution rate for state employers was 14% of covered payroll. The portion of employer contributions allocated to health care for members in the TP Plan was 1% for calendar year 2013. The portion of employer contributions allocated to health care for the CO Plan was 1% for the calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2% for both plans, as recommended by the OPERS actuary. These rates are the actuarially determined contribution requirements for OPERS. The portion of the Authority's 2013, 2012, and 2011 contribution that was used to fund postemployment benefits was $385,684, $1,437,454, and $1,377,351, respectively. The ORC provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

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

Note 11 - *Capital Contributions*

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

	2013	2012
Federal	$ 13,770,028	$ 45,055,780
State & Local	429,988	714,102
Total	**$ 14,200,016**	**$ 45,769,882**

Note 12 - *Commitments and Contingencies*

Capital Improvements

As of December 31, 2013, the Authority was obligated for completion of certain airport improvements under commitments of approximately $32.2 million. An estimated $13.9 million is eligible for reimbursement from the FAA. The remaining amount is expected to be funded from bond proceeds, current available resources, PFCs, and future operations.

Federally Assisted Programs — Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2013, significant amounts of grant expenditures have not been audited, but the Authority believes that disallowed expenditures, if any, based on subsequent audits, will not have a significant effect on the overall financial position of the Authority.

Note 13 - *Property Leased to Others*

The Authority is a lessor of space in CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the statement of net position are held by the Authority for the purpose of rental or related use. The cost and net book value of property held for operating leases as of December 31, 2013 are $378,267,198 and $226,541,013, respectively. The cost and net book value of property held for operating leases as of December 31, 2012 are $364,319,666 and $221,357,084, respectively.

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

2014	$ 13,890,641
2015	6,131,893
2016	5,702,906
2017	5,535,575
2018	4,933,163
2019-2023	15,016,239
2024-2028	10,176,207
2029-2033	7,345,487
2034-2038	5,810,159
2039-2043	2,127,492
2044-2048	844,127
2049-2053	847,918
2054-2058	647,901
Total	$ 79,009,708

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

Contingent operating revenue aggregated approximately $22,000,000 and $20,400,000 in 2013 and 2012, respectively.

Note 14 - *Related Party Transactions*

County of Franklin, Ohio

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

Note 15 - *Conduit Debt*

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

As of December 31, 2013 and 2012, there were 28 series of bonds outstanding, with aggregate principal balances of $250,709,759 and $302,591,683, respectively. The original issue amounts for these 28 series totaled $528,172,079.

Supplemental Schedule of Revenue and Expenses:
Budget vs. Actual - Budget Basis
For the Year Ended December 31, 2013

	Original Budget (unaudited)	Amended Budget (unaudited)	Actual	Variance to Budget
OPERATING REVENUES				
Airline Revenue	$ 27,787,420	$ 27,787,420	$ 28,241,349	$ 453,929
Parking Revenue	30,026,401	30,026,401	28,888,049	(1,138,352)
Concession Revenue	18,066,129	18,064,083	18,091,460	27,377
General Aviation Revenue	2,813,689	3,063,689	3,428,555	364,866
Cargo Operations Revenue	4,140,753	4,140,753	4,063,570	(77,183)
Foreign Trade Zone Fees	417,500	417,500	370,432	(47,068)
Other Revenue	1,842,760	1,842,760	1,869,050	26,290
Total Operating Revenues	**85,094,652**	**85,342,606**	**84,952,465**	**(390,141)**
OPERATING EXPENSES				
Employee Wages & Benefits	33,634,157	33,634,157	33,267,373	366,784
Purchase of Services	25,222,855	27,409,542	26,224,103	1,185,439
Materials & Supplies	5,722,923	5,722,923	5,620,586	102,337
Other Expenses	-	-	59,788	(59,788)
Total Operating Expenses	**64,579,935**	**66,766,622**	**65,171,850**	**1,594,772**
Operating Income before Depreciation	**20,514,717**	**18,575,984**	**19,780,615**	**1,204,631**
Less Depreciation	**38,839,608**	**38,839,608**	**38,312,237**	**527,371**
Operating Loss	**(18,324,891)**	**(20,263,624)**	**(18,531,622)**	**1,732,002**
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	467,731	467,731	319,426	(148,305)
Other Non-Operating Revenues	645,140	513,140	2,711,895	2,198,755
Passenger Facility Charges	12,735,360	12,735,360	12,238,285	(497,075)
Rental Car Facility Charges	5,970,419	5,970,419	6,469,716	499,297
Interest Expense	(3,724,077)	(3,724,077)	(3,717,551)	6,526
Gain On Securities	-	-	(195,425)	(195,425)
Amortization of Deferred Charges	-	-	(185,296)	(185,296)
Gain On Disposal of Assets	-	-	72,584	72,584
Total Non-Operating Revenues	**16,094,573**	**15,962,573**	**17,713,634**	**1,751,061**
Loss Before Capital Contributions	**(2,230,318)**	**(4,301,051)**	**(817,988)**	**3,483,063**
Adjustments To Reconcile Gaap Net Income Before Capital Contributions Budgeted To Net Income -				
Gain On Securities	-	-	195,425	195,425
Net Loss Adjusted to the Budgetary Basis of Accounting	**$ (2,230,318)**	**$ (4,301,051)**	**$ (622,563)**	**$ 3,678,488**

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Statistical Section

(unaudited)

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

Financial Trends and Revenue Capacity

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

Debt Capacity

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

Operating Information

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

Economic and Demographic Information

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

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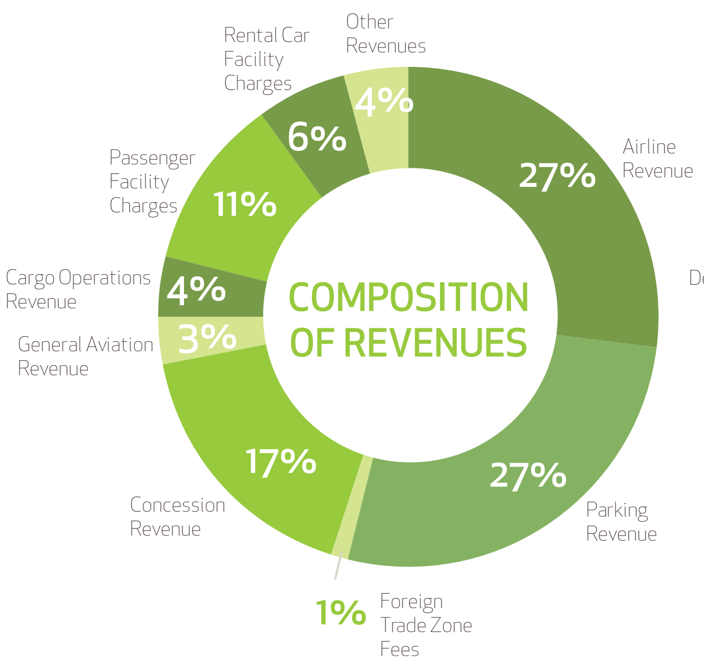
Revenues & Expenses by Type

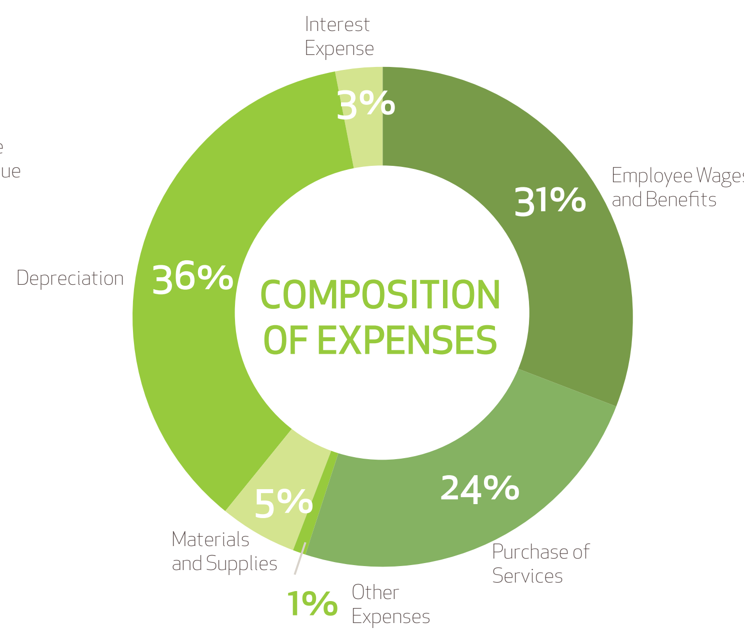
For the 10 Years Ended December 31, 2013

(dollars in thousands)

	2013		2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES:											
Airline Revenue	$28,241	27%	27,222	25,085	24,783	24,204	25,930	20,817	18,227	17,930	19,485
Parking Revenue	28,888	27%	27,788	27,188	25,395	24,391	28,144	29,081	23,984	22,154	20,536
Concession Revenue	18,091	17%	18,578	18,276	17,486	16,897	18,985	18,881	16,030	15,100	13,917
General Aviation Revenue	3,429	3%	2,522	2,602	2,304	2,256	2,452	2,245	2,359	2,412	2,569
Cargo Operations Revenue	4,064	4%	2,240	1,647	1,614	1,582	1,791	1,990	2,003	1,679	1,265
Foreign Trade Zone Fees	370	1%	380	382	378	440	493	482	607	440	544
Net Investment Income	124	0%	464	822	1,130	1,122	3,424	3,075	4,156	2,429	1,469
Passenger Facility Charges	12,238	11%	12,954	13,059	13,332	12,584	15,487	19,141	16,004	14,504	13,276
Rental Car Facility Charges	6,470	6%	6,257	5,615	5,011	4,457	3,211	2,140	0	0	0
Other Revenues	4,654	4%	7,249	5,528	7,412	8,648	10,438	7,634	6,745	8,068	7,412
	106,569	**100%**	**105,654**	**100,204**	**98,845**	**96,581**	**110,355**	**105,486**	**90,115**	**84,716**	**80,473**
EXPENSES:											
Employee Wages & Benefits	33,267	31%	31,672	30,680	30,252	28,267	30,537	28,348	26,101	24,635	23,732
Purchase of Services	26,224	24%	25,878	28,128	19,829	20,198	21,689	19,048	16,967	15,304	14,813
Materials and Supplies	5,621	5%	3,672	3,599	3,568	2,745	2,469	2,708	2,120	2,558	2,051
Depreciation	38,312	36%	35,259	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161
Interest Expense	3,718	3%	3,929	4,136	4,425	4,704	5,196	4,679	5,833	6,209	6,675
Other Expenses	245	1%	202	246	256	191	243	614	(30)	(313)	141
	107,387	100%	100,612	100,566	90,590	85,304	86,039	80,216	74,571	71,213	68,573
Income Before Capital Contributions, Special & Extraordinary Items	$ (818)		5,042	(362)	8,255	11,277	24,316	25,270	15,544	13,503	11,900

Source: The Authority's Accounting Department





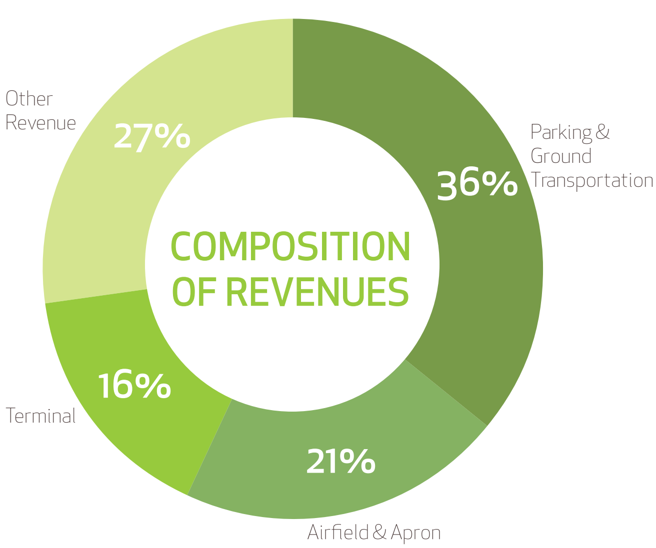
Revenues & Expenses by Area

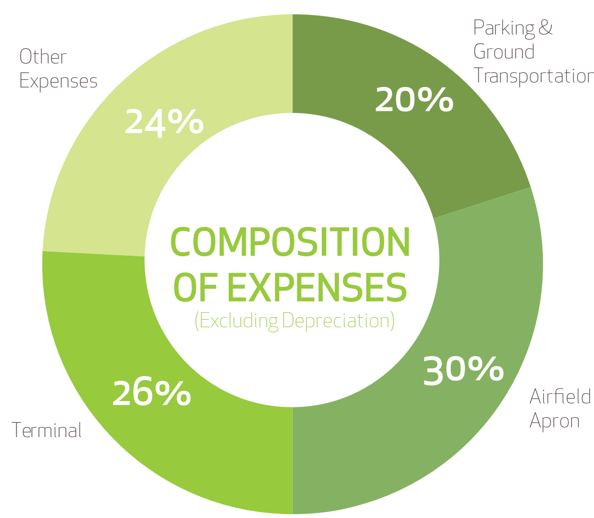
For the 10 Years Ended December 31, 2013

(dollars in thousands)

	2013		2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES:											
Parking & Ground Transportation	$ 39,022	36%	38,144	37,134	34,913	33,187	38,672	39,699	33,695	31,250	28,899
Airfield & Apron	22,197	21%	19,418	16,856	17,415	17,812	17,994	14,869	13,741	12,609	12,964
Terminal	16,740	16%	16,074	15,788	14,237	13,034	14,773	13,119	10,955	11,244	12,159
Other Revenue	28,610	27%	32,018	30,426	32,280	32,548	38,916	37,799	31,724	29,613	26,451
	106,569	**100%**	**105,654**	**100,204**	**98,845**	**96,581**	**110,355**	**105,486**	**90,115**	**84,716**	**80,473**
EXPENSES:											
Parking & Ground Transportation	13,856	20%	4,939	13,333	11,692	12,221	13,927	15,455	14,143	12,224	13,005
Airfield & Apron	20,890	30%	18,950	18,151	17,207	15,723	16,079	14,733	14,473	13,118	12,097
Terminal	17,598	26%	18,839	19,053	17,586	16,398	18,131	17,450	17,753	15,998	15,524
Other Expenses	16,731	24%	12,625	16,252	11,845	11,763	11,997	7,759	4,622	7,053	6,786
Expenses Before Depreciation:	**69,075**	**100%**	**65,353**	**66,789**	**58,330**	**56,105**	**60,134**	**55,397**	**50,991**	**48,393**	**47,412**
Depreciation	38,312		35,259	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161
	107,387		**100,612**	**100,566**	**90,590**	**85,304**	**86,039**	**80,216**	**74,571**	**71,213**	**68,573**
Income Before Capital Contributions, Special and Extraordinary Items	**$ (818)**		**5,042**	**(362)**	**8,255**	**11,277**	**24,316**	**25,270**	**15,544**	**13,503**	**11,900**

Source: The Authority's Accounting Department





Total Annual Revenues, Expenses, and Changes in Net Position

For the 10 Years Ended December 31, 2013

(dollars in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
OPERATING REVENUES										
Airline Revenue	$ 28,241	27,222	25,085	24,783	24,204	25,930	20,817	18,227	17,930	19,485
Parking Revenue	28,888	27,788	27,188	25,395	24,391	28,144	29,081	23,984	22,154	20,536
Concession Revenue	18,091	18,578	18,276	17,486	16,897	18,985	18,881	16,030	15,100	13,917
Other Revenue	9,732	7,360	6,900	6,552	7,585	7,225	6,869	6,942	6,479	6,478
Total Operating Revenues	**84,952**	**80,948**	**77,449**	**74,216**	**73,077**	**80,284**	**75,648**	**65,183**	**61,663**	**60,416**
OPERATING EXPENSES										
Employee Wages & Benefits	33,267	31,672	30,680	30,252	28,267	30,537	28,348	26,101	24,635	23,732
Purchase of Services	26,224	25,878	28,128	19,829	20,198	21,689	19,048	16,967	15,304	14,813
Materials & Supplies	5,621	3,672	3,599	3,568	2,745	2,469	2,708	2,120	2,558	2,051
Other Expenses	60	17	61	71	6	58	61	(30)	(313)	142
Total Operating Expenses	**65,172**	**61,239**	**62,468**	**53,720**	**51,216**	**54,753**	**50,165**	**45,158**	**42,184**	**40,738**
Operating Income Before Depreciation	**19,780**	**19,709**	**14,981**	**20,496**	**21,861**	**25,531**	**25,483**	**20,025**	**19,479**	**19,678**
Less: Depreciation	38,312	35,259	33,777	32,260	29,199	25,905	24,819	23,580	22,820	21,161
Operating Income (Loss)	**(18,532)**	**(15,550)**	**(18,796)**	**(11,764)**	**(7,338)**	**(374)**	**664**	**(3,555)**	**(3,341)**	**(1,483)**
NON-OPERATING REVENUES (EXPENSES)										
Investment Income	319	447	804	1,244	1,524	2,851	2,666	3,734	2,888	1,510
Other Non-Operating Revenues	2,712	2,766	5,354	5,458	5,262	5,367	5,263	5,280	5,439	5,241
Passenger Facility Charges	12,238	12,954	13,059	13,332	12,584	15,487	19,141	16,004	14,504	13,276
Rental Car Facility Charges	6,470	6,257	5,615	5,011	4,457	3,211	2,140	-	-	-
Interest Expense	(3,718)	(3,929)	(4,136)	(4,425)	(4,704)	(5,196)	(4,679)	(5,833)	(6,209)	(6,675)
Gain (Loss) on Securities	(195)	17	18	(114)	(402)	572	409	422	(459)	(41)
Amortization of Deferred Charges	(185)	(185)	(185)	(185)	(185)	(184)	(553)	-	-	-
Gain (Loss) on Disposal of Assets	73	2,265	(2,095)	(302)	79	2,582	219	(508)	681	72
Total Non-Operating Revenues	**17,714**	**20,592**	**18,434**	**20,019**	**18,615**	**24,690**	**24,606**	**19,099**	**16,844**	**13,383**
Income Before Capital Contributions, Special & Extraordinary Items	(818)	5,042	(362)	8,255	11,277	24,316	25,270	15,544	13,503	11,900
Capital Contributions	14,200	45,770	34,276	22,950	10,719	17,975	26,514	26,107	22,005	21,660
Special & Extraordinary Items	-	-	-	-	-	-	-	-	(1,595)	-
Increase In Net Position	**13,382**	**50,812**	**33,914**	**31,205**	**21,996**	**42,291**	**51,784**	**41,651**	**33,913**	**33,560**
Total Net Position-Beginning of Year	732,582	681,770	647,856	616,651	594,655	552,364	500,580	458,929	425,016	391,456
Total Net Position-End of Year	**$745,964**	**$732,582**	**681,770**	**647,856**	**616,651**	**594,655**	**552,364**	**500,580**	**458,929**	**425,016**

Source: The Authority's audited financial statements

Statements of Net Position

For the 10 Years Ended December 31, 2013

(dollars in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
ASSETS:										
Unrestricted Assets:										
Cash & Cash Equivalents	$ 16,784	22,187	23,388	22,178	28,031	27,890	25,094	19,154	11,801	13,722
Other Investments	9,135	9,153	3,262	6,090	14,791	4,622	19,180	27,074	33,822	-
Accounts Receivable - Trade and Capital Grants, net	33,395	33,551	13,584	16,049	9,594	12,922	15,679	13,801	9,835	4,435
Accounts Receivable - Other	1,826	1,869	1,643	2,278	1,113	2,710	1,481	752	1,105	129
Interest Receivable	99	95	153	192	254	355	457	335	387	182
Direct Financing Leases Receivable	-	-	-	368	491	491	491	491	491	491
Deposits, Prepaid Items & Other	2,499	2,347	1,960	2,373	2,212	2,263	1,746	1,548	1,679	2,018
Total Unrestricted Current Assets	**63,738**	**69,202**	**43,990**	**49,528**	**56,486**	**51,253**	**64,128**	**63,155**	**59,120**	**20,977**
NON-CURRENT ASSETS:										
Unrestricted Assets:										
Other Investments	60,826	53,520	52,848	58,029	45,930	45,988	27,575	6,459	25,564	23,388
Accounts Receivable - Other	265	261	258	260	266	204	188	1,370	1,590	1,594
Direct Financing Leases Receivable	-	-	-	-	368	859	1,350	1,841	2,331	2,822
Land	103,869	103,820	103,733	102,038	104,624	101,966	101,227	61,925	48,557	47,386
Construction In Progress	27,981	104,365	63,311	36,510	18,084	99,841	81,556	60,204	38,228	37,596
Depreciable Capital Assets, Net of Accumulated Depreciation	**607,333**	**515,038**	**522,482**	**494,430**	**504,208**	**417,042**	**407,719**	**390,986**	**367,805**	**352,225**
Total Unrestricted Non-Current Assets	**800,274**	**777,004**	**742,632**	**691,267**	**673,480**	**665,900**	**619,615**	**522,785**	**484,075**	**465,011**
RESTRICTED ASSETS:										
Cash & Cash Equivalents	22,790	26,714	28,352	30,044	26,755	27,879	36,866	34,474	35,749	62,140
Other Investments	-	-	-	17,674	12,280	16,665	7,012	34,242	27,466	28,792
Other Receivables	-	-	-	-	-	-	-	-	-	3,540
Total Restricted Assets	22,790	26,714	28,352	47,718	39,035	44,544	43,878	68,716	63,215	94,472
Total Non-Current Assets	823,064	803,718	770,984	738,985	712,515	710,444	663,493	591,501	547,290	559,483
Total Assets	**886,802**	**872,920**	**814,974**	**788,513**	**769,001**	**761,697**	**727,621**	**654,656**	**606,410**	**580,460**
Deferred Outflows of Resources										
Deferred loss on bond refunding (net of Accumulated Amortization)	1,462	1,648	1,832	2,018	2,204	2,389	2,574	1,066	1,204	1,345
Total Assets and Deferred Outflows of Resources	**$ 888,264**	**874,568**	**816,806**	**790,531**	**771,205**	**764,086**	**730,195**	**655,722**	**607,614**	**581,805**
LIABILITIES										
Current Liabilities:										
Payable from Unrestricted Assets:										
Accounts Payable - Trade	$ 10,290	6,037	6,281	13,886	4,195	6,432	13,164	17,413	5,968	3,207
Accrued Interest Payable	1,494	2,128	2,195	2,285	2,372	2,481	3,274	2,665	2,726	2,784
Accrued and Withheld Employee Benefits	5,188	4,388	3,849	3,882	2,991	4,098	5,268	4,637	4,658	4,485
Advances from Grantors	1,258	1,559	1,812	491	1,002	3,246	362	1,157	4,075	489
Other Accrued Expenses	4,906	5,760	7,192	7,008	4,242	4,615	5,422	3,040	4,394	4,103
Total Payable from Unrestricted Assets	**23,136**	**19,872**	**21,329**	**27,552**	**14,802**	**20,872**	**27,490**	**28,912**	**21,821**	**15,068**
Total Current Liabilities	**23,136**	**19,872**	**21,329**	**27,552**	**14,802**	**20,872**	**27,490**	**28,912**	**21,821**	**15,068**
Long-Term Liabilities:										
Payable from Restricted Assets - Due within 1 Year:										
Accounts Payable	-	-	-	-	-	-	-	-	-	3,475
Retainages on Construction Contracts	1,609	1,275	3,510	559	606	2,256	3,937	2,648	1,026	1,186
Accrued Interest Payable	-	-	-	-	-	-	-	33	65	156
Customer Deposits and Other	542	409	506	417	433	405	389	374	385	368
Current Portion of Long-Term Debt	4,987	4,242	4,052	3,872	3,795	3,635	3,480	5,441	6,231	9,072
Revolving Bank Loan	25,000	20,000	-	-	-	-	-	-	-	-
Commercial Paper Notes	-	-	5,000	5,000	21,500	30,000	25,000	-	-	-
Total Payable from Restricted Assets - Due within 1 Year	**32,138**	**25,926**	**13,068**	**9,848**	**26,334**	**36,296**	**32,806**	**8,496**	**7,707**	**14,257**
Payable from Unrestricted Assets - Due in more than 1 Year:										
Compensated Absences	1,743	1,658	1,536	1,362	1,406	1,426	-	-	-	-
Accounts Payable - Other	-	-	-	-	-	-	-	-	-	-
Unearned Rental Income	10,811	10,552	10,578	11,034	13,696	8,432	11,204	7,007	2,867	816
Long-Term Debt, Less Current Portion, Net	74,471	83,978	88,525	92,879	98,316	102,405	106,331	110,727	116,290	122,648
Other Long-Term Borrowing	-	-	-	-	-	-	-	-	-	4,000
Total Payable from Unrestricted Assets - Due in more than 1 Year:	**87,025**	**96,188**	**100,639**	**105,275**	**113,418**	**112,263**	**117,535**	**117,734**	**119,157**	**127,464**
Total Long-Term Liabilities	119,163	122,114	113,707	115,123	139,752	148,559	150,341	126,230	126,864	141,721
Total Liabilities	**142,299**	**141,986**	**135,036**	**142,675**	**154,554**	**169,431**	**177,831**	**155,142**	**148,685**	**156,789**
NET POSITION										
Invested in Capital Assets, Net of Related Debt	636,188	616,650	593,782	533,246	505,509	485,199	458,266	395,388	335,304	309,122
Restricted:										
Capital Expenditures	-	-	-	-	-	-	-	-	443	34,803
Passenger Facility Charges	-	-	-	23,387	14,559	17,928	15,253	39,692	33,973	27,227
Bond Reserves	20,639	25,030	24,336	23,355	23,438	23,955	24,299	23,252	22,669	22,281
Obligation Due To City	-	-	-	-	-	-	-	1,777	1,949	5,066
Total Restricted Net Position	20,639	25,030	24,336	46,742	37,997	41,883	39,552	64,721	59,034	89,377
Unrestricted Net Position	89,138	90,902	63,652	67,868	73,145	67,573	54,546	40,471	64,591	26,517
Total Net Position	745,965	732,582	681,770	647,856	616,651	594,655	552,364	500,580	458,929	425,016
Total Liabilities and Net Position	**$ 888,264**	**874,568**	**816,806**	**790,531**	**771,205**	**764,086**	**730,195**	**655,722**	**607,614**	**581,805**

Source: The Authority's audited financial statements

Schedule of Insurance in Force

As of January 1, 2014

Type of Coverage	Insurer	Amount	Date
			AIRPORT
PROPERTY AND EQUIPMENT INSURANCE			Building &
Contents Including Mobile Equipment	Travelers Indemnity Co.	$ 601,341,241	11/01/14
Boiler & Machinery	The Hartford Steam Boiler Inspection and Insurance Company	$ 100,000,000	11/01/14
Business Auto	The Phoenix Insurance Company	$ 1,000,000	11/01/14
Builder's Risk (Fairfield Hotel Construction at site)	AGCS Marine Insurance Company (Allianz)	$ 9,000,000	07/13/14
LIABILITY INSURANCE			Aviation &
General	ACE Property & Casualty Insurance Co.	$ 250,000,000	11/01/14
Pollution Liability (LCK)(LCK, CMH, TZR) (includes storage tank pollution)	Illinois Union Insurance Co.	$ 10,000,000	01/01/16
Public Official & Employees Liability	Illinois National Insurance Co.	$ 10,000,000	11/01/14
Police Professional	Lexington Insurance Co.	$ 10,000,000	11/01/14
Employee Dishonesty	Hartford Fire Insurance Co.	$ 1,000,000	11/01/14
Fiduciary Liability	Federal Insurance Co.	$ 1,000,000	11/01/14
Special Accident	Federal Insurance Co.	$ 5,000,000	11/01/14
International Commercial Insurance	Vigilant Insurance Co.	$ 1,000,000	11/01/14
Surety Bonds	CAN/Western Surety Co.	$ 250,000	Various
WORKERS' COMPENSATION INSURANCE			
Excess Workers' Compensation	Midwest Employers Casualty Co.	$ 50,000,000	11/01/14

Source: The Authority's Finance Department

Ratios of Outstanding Debt

For the 10 Years Ended December 31, 2013

(in thousands except outstanding debt per enplaned passenger)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
OUTSTANDING DEBT BY TYPE:										
Revolving Bank Loan	$ 25,000	20,000	-	-	-	-	-	-	-	-
Commercial Paper Notes	-	-	5,000	5,000	21,500	30,000	25,000	-	-	-
General Airport Revenue Bond (GARB)	79,384	88,071	92,354	96,453	100,379	104,146	107,760	112,055	115,576	118,966
Ohio Public Works Commission	74	149	223	298	372	447	521	596	670	745
Other Debt	-	-	-	-	1,360	1,447	1,530	3,517	6,275	12,009
Total Outstanding Debt	**$ 104,458**	**108,220**	**97,577**	**101,751**	**123,611**	**136,040**	**134,811**	**116,168**	**122,521**	**131,720**
Enplaned Passengers	3,115	3,175	3,190	3,184	3,123	3,459	3,865	3,363	3,307	3,113
Outstanding Debt Per Enplaned Passenger	**$ 33.53**	**34.09**	**30.59**	**31.96**	**39.58**	**39.33**	**34.88**	**34.54**	**37.05**	**42.31**

Source: The Authority's Accounting Department

Schedule of Debt and Obligation Coverages

For the 10 Years Ended December 31, 2013

(dollars in thousands, except coverage)

Year	Gross Revenue[1]	Direct Operating Expense[2]	Net revenue Available for Debt & Obligation Payments	Debt and Obligation Requirements			
				Principal	Interest	Total	Coverage
2013	$87,861	($65,172)	$22,689	$ 4,242	$3,996	$ 8,238	2.75
2012	$86,443	($61,239)	$25,204	$ 4,089	$3,929	$ 8,018	3.14
2011	$81,530	($62,468)	$19,062	$ 3,909	$4,135	$ 8,044	2.37
2010	$80,500	($53,719)	$26,781	$ 5,099	$4,425	$ 9,524	2.81
2009	$79,539	($51,215)	$28,324	$ 3,672	$4,704	$ 8,376	3.38
2008	$91,657	($54,753)	$36,904	$ 3,517	$5,196	$ 8,713	4.24
2007	$84,204	($50,165)	$34,039	$ 7,112	$4,679	$11,791	2.89
2006	$74,111	($45,157)	$28,954	$ 6,268	$5,833	$12,101	2.39
2005	$68,617	($42,185)	$26,432	$ 9,109	$6,209	$15,318	1.73
2004	$67,198	($40,738)	$26,460	$ 7,870	$6,675	$14,545	1.82

Source: The Authority's Accounting Department

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

[2] Direct Operating Expense excludes Depreciation

Capital Asset Statistics By Function

For Year Ended December 31, 2013

Airport Codes:

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

	CMH	LCK	TZR
Location	6 miles East of downtown Columbus	10 miles South of downtown Columbus	8 miles Southwest of downtown Columbus
Elevation:	815 ft	744 ft	905 ft
International:	Yes: FIS facility	Yes: FIS facility	No
Tower:	24/7 daily + TRACON	24/7 daily	0730-1930 daily
FBO:	Lane, Landmark	Rickenbacker Aviation, Airnet	Capital City Jet Center
Acres (+/-):	2,272	4,118	1,307
Runways:	10L-28R: ILS, GPS 8,000 x 150 ft 10R-28L: ILS, GPS 10,113 x 150 ft	5L-23R: ILS, GPS 11,902 x 150 ft 5R-23L: ILS, GPS 12,102 x 200 ft	4-22: ILS, GPS 5,500 x 100 ft
TERMINAL:			
Airlines - sq ft	220,744		
Tenants - sq ft	67,262	706	307
Public/Common - sq ft	274,917	14,872	2,015
Mechanical - sq ft	93,139	1,054	1,290
Other-sq ft	219,135	25,819	3,078
Total - sq ft	875,197	42,451	6,690
Number of passenger gates	30	2	0
Number of loading bridges	29	2	0
Number of Concessionaires in Terminal	44	0	1
Number of Rental Car Agencies	8	0	0
APRON:			
Commercial Airlines - sq ft	1,365,695	0	0
Cargo Airlines - sq ft	0	3,210,300	0
FBO - sq ft	487,900	474,100	39,600
PARKING:			
Spaces Assigned:			
Garage	605	Controlled 350	
Short-term	2,589		
		Manual /Overflow 150	
Long-term			
Shuttle/Remote Lots:			
Blue Lot	4,873		
Red Lot	2,711		
Green Lot	2,130		
Employees	1,217		
Rental Cars (8 Rental Agencies)	1,057		
Total	15,182	500	
CARGO:			
Air Cargo Building - sq ft	60,000	212,800	0

Air Commerce Trends — Port Columbus International Airport

For the 10 Years Ended December 31, 2013

Year	Total Passenger Volume	% Change	Cargo[1]	IN POUNDS Freight[2]	Mail
2013	6,236,528	(1.8)	371,992	7,596,259	2,876,666
2012	6,350,446	(0.4)	213,757	7,735,935	2,656,239
2011	6,378,722	0.2	66,236	7,093,122	2,256,616
2010	6,366,191	2.1	96,055	6,919,425	2,630,001
2009	6,233,485	(9.8)	74,535	7,663,839	2,633,530
2008	6,910,045	(10.5)	142,347	9,762,126	4,460,295
2007	7,719,340	14.6	273,735	9,538,051	3,716,194
2006	6,733,990	1.9	827,486	9,584,434	8,537,279
2005	6,611,575	6.1	1,693,728	7,136,401	11,046,679
2004	6,232,332	(0.3)	1,252,413	6,831,713	12,873,701

Source: The Authority's Accounting Department

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

Air Commerce Trends — Rickenbacker International Airport

For the 10 Years Ended December 31, 2013

Year	Total Passenger Volume	% Change	Cargo (in pounds)	% Change
2013	33,269	129.9	153,670,161	(2.4)
2012	14,469	(2.8)	157,373,134	7.7
2011	14,880	40.5	146,164,909	(5.0)
2010	10,587	(19.1)	153,793,913	(2.9)
2009	13,082	(41.1)	158,450,106	(20.7)
2008	22,222	204.5	199,814,163	(9.4)
2007	7,299	27.2	220,529,131	(12.1)
2006	5,739	(85.5)	250,748,061	0.7
2005	39,554	(71.1)	248,917,975	15.3
2004	136,949	424.7	215,926,925	11.4

Source: The Authority's Business Development and Communications Department

Airline Cost Per Enplaned Passenger Port Columbus International Airport

For the 10 Years Ended December 31, 2013

(in thousands except airline cost per enplaned passenger)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Airline Cost for the Airfield Area	$16,404	$16,458	$16,403	$16,060	$14,809	$14,933	$13,630	$11,563	$10,923	$10,717
Airline Cost for the Terminal Building	11,977	12,014	11,007	9,820	9,194	12,556	11,448	10,402	9,323	10,377
Airline Cost for the Aircraft Parking Area	3,732	3,404	2,913	2,639	2,060	2,033	1,819	1,561	1,546	1,860
General Airline Credit	(4,461)	(4,431)	(5,853)	(3,953)	(3,275)	(3,275)	(3,950)	(4,625)	(5,300)	(5,300)
Total Airline Cost	**$27,652**	**$27,445**	**$24,470**	**$24,566**	**$22,788**	**$26,247**	**$22,947**	**$18,901**	**$16,492**	**$17,654**
Enplanements	3,115	3,175	3,190	3,184	3,123	3,459	3,865	3,363	3,307	3,113
Airline Cost Per Enplaned Passenger	**$ 8.88**	**$ 8.64**	**$ 7.67**	**$ 7.72**	**$ 7.30**	**$ 7.59**	**$ 5.94**	**$ 5.62**	**$ 4.99**	**$ 5.67**

Source: The Authority's Accounting Department

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

Air Carrier Market Shares Port Columbus International Airport

For the 10 Years Ended December 31, 2013

	Market Share Percentage	Total Airline Passengers	TOTAL AIRLINE PASSENGERS								
	2013	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
1 **Southwest**	26.48%	1,651,723	1,783,944	1,796,696	1,713,855	1,695,002	1,781,405	1,643,557	1,521,778	1,289,278	1,088,221
2 **Delta** [1]	22.86%	1,425,673	1,482,740	1,452,169	1,430,551	883,794	1,019,877	1,209,366	1,232,978	1,377,219	1,332,258
Delta Connection						-					
Northwest [1]	-	-	-		-	493,543	546,485	525,810	604,941	639,839	659,567
3 **US Airways Group** [2]	15.14%	944,344	905,789	946,018	952,168	941,864	1,091,472	1,138,854	1,147,376	1,111,307	999,500
US Airways Express											
4 **United**	14.41%	898,478	904,514	543,080	554,292	558,088	641,690	700,422	682,027	656,627	708,621
United Express											
Continental [3]	-	-	-	340,083	394,338	363,814	37,588				
Continental Express					423,108	436,990	460,776	513,554	493,613	464,458	459,635
Continental Connection											
5 **American**	13.08%	815,779	824,959	787,556	746,322	739,273	821,772	956,494	871,197	854,842	830,395
American Eagle											
American Connection											
6 **Air Tran Airways**	6.79%	423,509	381,670	380,337							
7 **Air Canada Jazz**	0.63%	39,435	33,805	35,607	32,690	26,007	39,059	39,692	41,079	41,651	42,163
8 **Frontier**	0.31%	19,113	14,516	80,860	98,673	73,284	79,100	80,189	43,441	41,474	36,954
Jetblue Airways	-	-	-		-	-	2,674	230,769	52,416	-	-
Skybus	-	-	-		-	-	352,155	635,274	-	-	-
Independence Air	-	-	-		-	-	-	-	969	94,074	39,415
		-									
Commercial Total	**99.70%**	**6,218,054**	**6,331,937**	**6,362,406**	**6,345,997**	**6,211,659**	**6,874,053**	**7,673,981**	**6,691,815**	**6,570,769**	**6,196,729**
Scheduled	0.18%	11,157	7,398	7,154	6,840	6,915	18,383	26,767	29,414	31,213	17,720
Non-Scheduled	0.12%	7,317	11,111	9,162	13,354	14,911	17,609	18,592	12,761	9,593	17,883
Charter Total	**0.30%**	**18,474**	**18,509**	**16,316**	**20,194**	**21,826**	**35,992**	**45,359**	**42,175**	**40,806**	**35,603**
Total Passenger	**100.00%**	**6,236,528**	**6,350,446**	**6,378,722**	**6,366,191**	**6,233,485**	**6,910,045**	**7,719,340**	**6,733,990**	**6,611,575**	**6,232,332**

Source: The Authority's Accounting Department

[1] Northwest was Merged Into Delta In January 2010.

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

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

Top Ten Customers

For Year Ended December 31, 2013

	% of 2013 Operating Revenue	2013 Revenue	2004 Revenue
Southwest Airlines	9.3%	$ 7,925,000	$ 2,958,000
Delta Air Lines	6.9%	$ 5,883,000	$ 3,062,000
United Air Lines Inc.	4.0%	$ 3,420,000	$ 1,960,000
American Airlines	3.9%	$ 3,327,000	$ 2,282,000
Byers Enterprises	3.1%	$ 2,618,000	$ 2,257,000
US Airways Group Inc.	3.6%	$ 3,055,000	$ 2,454,000
Avis Rent A Car	2.4%	$ 2,061,000	$ 1,981,000
HMS Host (Anton's Airfoods, Inc.)	2.5%	$ 2,130,000	$ -
Air Tran Airways	2.6%	$ 2,173,000	$ -
Federal Express Local	1.8%	$ 1,543,000	$ -
Remainder	59.9%	$ 50,817,000	$ 43,464,000
Total Operating Revenue	**100.0%**	**$ 84,952,000**	**$ 60,418,000**

Source: The Authority's Accounting Department

Budgeted Employees By Department

For the 10 Years Ended December 31, 2013

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration	5	6	6	5	4	4	4	4	4	4
Airfield Services	82	79	79	75	82	82	80	79	77	77
Business Development & Communication	16	14	14	15	13	16	16	17	16	17
Facilities & Custodial	115	110	105	101	103	109	105	105	104	108
Finance, Accounting & Legal	29	29	28	27	27	30	30	29	28	28
People Services	10	9	7	6	6	6	6	6	6	6
Technologies	22	18	10	9	8	8	7	7	6	6
Operations	32	31	32	29	35	40	33	32	30	28
Parking & Ground Transportation	11	11	12	11	11	11	11	7	7	7
Planning & Construction Administration	21	26	24	21	24	25	24	21	21	21
Public Safety	59	62	62	65	65	69	69	66	61	69
Real Estate	7	5	5	5	4	5	5	4	4	4
Total	**409**	**400**	**384**	**369**	**382**	**405**	**390**	**377**	**364**	**375**

Source: The Authority's Finance Department

Largest Employers in the Greater Columbus Area

Ranked by number of full time employees

		% of 2012 Employment	2012	% of 2003 Employment	2003
1	State of Ohio	2.66%	23,988	3.00%	25,787
2	The Ohio State University	2.62%	23,601	2.02%	17,361
3	JPMorgan Chase & Co.	2.13%	19,200	1.36%	11,734
4	OhioHealth	1.33%	11,949	0.97%	8,304
5	Nationwide	1.23%	11,085	1.26%	10,815
6	Limited Brands	0.87%	7,800	0.84%	7,200
7	City of Columbus	0.86%	7,779	0.94%	8,067
8	Columbus City School District	0.86%	7,750	1.41%	12,092
9	Honda of America Manufacturing Inc.	0.78%	7,000	0.77%	6,600
10	Mount Carmel Health System	0.71%	6,382	0.58%	4,983
11	Franklin County	0.67%	6,001	0.83%	7,161
12	Kroger Co.	0.59%	5,281	0.54%	4,632
13	Huntington Bancshares Inc.	0.53%	4,813	0.41%	3,521
14	Nationwide Children's Hospital	0.53%	4,805	0.29%	2,505
15	Cardinal Health Inc.	0.49%	4,384	0.23%	2,000
16	American Electric Power Company Inc.	0.37%	3,338	0.44%	3,795
17	DLA Land and Maritime	0.32%	2,900	0.00%	-
18	Abercrombie & Fitch Co.	0.29%	2,650	0.00%	-
19	Alliance Data	0.26%	2,374	0.19%	1,647
20	South-Western City Schools	0.26%	2,321	0.28%	2,440
21	Battelle	0.24%	2,201	0.25%	2,184
22	State Farm Insurance	0.22%	2,000	0.21%	1,800
23	Exel	0.21%	1,900	0.00%	-
24	Olentangy Local Schools	0.20%	1,845	0.00%	-
25	Time Warner Cable Inc.	0.20%	1,779	0.00%	-
	Other Employers	80.57%	726,374	83.18%	715,072

2013 information is unavailable at this time so we are reporting 2012 information.

Sources: Business First. December 21, 2012 and December 12, 2003 Issues

Ohio Department of Job and Family Services, Ohio Labor Market Information

Estimated Civilian Labor Force And Annual Average Unemployment Rates

For the 10 Years Ended December 31, 2013

(labor force in thousands)

Year	FRANKLIN COUNTY Labor Force[2]	FRANKLIN COUNTY Unemployment Rate[3]	COLUMBUS MSA[1] Labor Force[2]	COLUMBUS MSA[1] Unemployment Rate[3]	OHIO Labor Force[2]	OHIO Unemployment Rate[3]	U.S. Unemployment Rate[3]
2013	629.8	6.2%	976.1	6.2%	5,766	7.4%	7.4%
2012	625.8	6.1%	969.5	6.1%	5,741	7.2%	8.1%
2011	623.9	7.5%	967.0	7.5%	5,789	8.6%	8.9%
2010	620.2	8.7%	962.5	8.7%	5,845	10.0%	9.6%
2009	626.2	8.3%	965.5	8.4%	5,913	10.2%	9.3%
2008	620.6	5.5%	958.5	5.6%	5,940	6.6%	5.8%
2007	615.7	4.7%	950.0	4.7%	5,947	5.6%	4.6%
2006	605.6	4.6%	937.2	4.7%	5,924	5.4%	4.6%
2005	598.8	5.2%	921.9	5.2%	5,882	5.9%	5.1%
2004	598.3	5.4%	914.1	5.4%	5,863	6.1%	5.5%

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

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

[2] *Civilian labor force is the estimated number of persons 16 years of age and over, working or seeking work*

[3] *The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force*

Population and Personal Income Statistics

For the 10 Years Ended December 31, 2013

Year	FRANKLIN COUNTY			COLUMBUS MSA[1]			OHIO			U.S.
	Personal Income (in thousands)[2]	Population (in thousands)[3]	Per Capita Personal Income[4]	Personal Income (in thousands)[2]	Population (in thousands)[3]	Per Capita Personal Income[4]	Personal Income (in thousands)[2]	Population (in thousands)[3]	Per Capita Personal Income[4]	Per Capita Personal Income[4]
2013	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
2012	50,958,740	1,196	42,624	83,062,388	1,944	42,728	462,423,562	11,544	40,057	43,735
2011	48,344,701	1,179	40,996	79,023,674	1,925	41,048	446,135,562	11,541	38,657	42,298
2010	45,202,628	1,166	38,766	73,482,820	1,906	38,547	418,535,061	11,538	36,274	40,163
2009	44,055,864	1,155	38,130	71,125,775	1,888	37,682	409,401,905	11,529	35,511	39,357
2008	44,522,084	1,141	39,014	71,314,785	1,866	38,225	419,004,250	11,515	36,386	40,873
2007	44,016,700	1,127	39,050	69,669,836	1,842	37,832	409,348,002	11,500	35,594	39,804
2006	43,196,263	1,116	38,709	66,957,366	1,817	36,851	395,086,238	11,481	34,412	38,127
2005	41,114,679	1,105	37,191	63,240,231	1,791	35,308	375,381,483	11,463	32,746	35,888
2004	39,658,373	1,100	36,066	60,654,489	1,770	34,276	363,796,209	11,452	31,766	34,300

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Income Division -- November 2013 (Preliminary data which is subject to change)

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

Estimates for 2004 forward reflect the results of the comprehensive revision to the national income and product accounts released in July 2013.

(NA) Data not available for this year.

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

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

(3) Census Bureau midyear population estimates. Estimates for 2000-2011 reflect county population estimates available as of March 2013.

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

Compliance Section

This section contains the following subsections:

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

Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

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 Columbus Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents, and have issued our report thereon dated March 12, 2014, except for the Schedule of Expenditures of Federal Awards which is dated June 23, 2014.

Internal Control Over Financial Reporting

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

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

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

To Management and the Board of Directors
Columbus Regional Airport Authority

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Plante & Moran, PLLC

March 12, 2014

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

Independent Auditor's Report

To the Board of Directors
Columbus Regional Airport Authority

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

We have audited Columbus Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Authority that have a direct and material effect on passenger facility charges for the year ended December 31, 2013. Columbus Regional Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the schedule of expenditures of passenger facility charges.

Management's Responsibility

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

Auditor's Responsibility

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or a passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Columbus Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Directors
Columbus Regional Airport Authority

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

Opinion on Each Major Federal Program and the Passenger Facility Charge Program

In our opinion, Columbus Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and its passenger facility charge program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Columbus Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Columbus Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2013-001 to be a material

To the Board of Directors
Columbus Regional Airport Authority

Other Matter

This report replaces a previously issued report dated March 12, 2014. The amount of expenditures reported on the schedule of expenditures of federal awards for the Department of Justice - Drug Enforcement Agency Equitable Sharing Program; CFDA No. 16.922 was corrected. The amount originally reported was $434,488 and was reduced to $281,188. As a result of this change, a new finding (2013-001) was added to the schedule of findings and questioned costs.

Columbus Regional Airport Authority's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Columbus Regional Airport Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

March 12, 2014, except for CFDA No. 16.922 and finding 2013-001,
which is dated June 23, 2014

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Federal Expenditures
DEPARTMENT OF TRANSPORTATION				
Direct:				
Federal Aviation Administration - Airport Improvement Program (AIP):	20.106			
Noise Mitigation For 69 Homes		3-39-0025-77	$ -	$ 45,410
Replacement Runway Projects		3-39-0025-79	10,240,235	10,240,235
LED Conversion/Update Pavement Mgmt.		3-39-0026-22	154,168	184,874
Rehabilitate Runway 5R/23L		3-39-0117-39	647,739	647,739
Subtotal Federal Aviation Administration			**11,042,142**	**11,118,258**
Pass Through:				
Ohio Dept. of Transportation - Highway Planning & Construction Cluster	20.205	LPA#22625	1,174,193	1,652,867
National Highway Traffic Safety Administration - Highway Safety Cluster - Alcohol-impaired Driving Countermeasures Incentive	20.601	DUI FFY 2013	4,564	4,564
TOTAL DEPARTMENT OF TRANSPORTATION			**12,220,899**	**12,775,689**
DEPARTMENT OF JUSTICE				
Direct:				
Drug Enforcement Agency - Equitable Sharing Program	16.922	N/A	250,764	281,188
Total Department of Justice			**250,764**	**281,188**
DEPARTMENT OF HOMELAND SECURITY				
Direct:				
ARRA - TSA Airport Checked Baggage Inspection System Program	97.117	HSTS0409HREC170	2,326,331	961,414
Pass Through:				
Ohio Emergency Management Agency - Disaster Grants - Public assistance	97.036	FEMA-4077-DR-49UASBY	-	13,725
TOTAL DEPARTMENT OF HOMELAND SECURITY			**2,326,331**	**975,139**
TOTAL FEDERAL AWARDS			**$ 14,797,994**	**$ 14,032,016**

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

Schedule of Expenditures of Passenger Facility Charges

For the Year Ended December 31, 2013

Program	Receipts	Expenditures
Passenger Facility Charges	$ 12,280,253	$ 11,800,000

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

For the Year Ended December 31, 2013

Note 1 - *Summary of Significant Accounting Policies*

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

Note 2 - *Basis of Accounting*

Basis of Accounting - The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are prepared on the basis of cash receipts and disbursements. Revenues from reimbursement type grants are recognized when received rather than when earned, and reimbursed expenses are recognized when paid and requested rather than when the obligations are incurred. Revenues from advance funded grants are recognized when received rather than when earned, and expenses are recognized when paid. The basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. In addition, expenditures reported on the schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

Note 3 - *TSA Airport Checked Baggage Inspection System Program*

The schedule of expenditures of federal awards for the TSA Airport Checked Baggage Inspection Program (CFDA No. 97.117) excludes $1,854,971 in retainage expenditures that were submitted for reimbursement in the current year. These retainage expenditures replace an unpaid retainage reimbursement request for $2,068,472, which was submitted and included on the prior year schedule of expenditures of federal awards. The $1,854,971 in retainage was paid by the TSA to the Authority subsequent to year end. The grant has been closed out and all outstanding receivables were collected subsequent to year end.

Section I - *Summary of Auditor's Results*

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

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

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

4. One material weakness in internal control over compliance with requirements applicable to major federal awards programs was identified. No significant deficiencies that are not considered to be material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.

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

6. The audit disclosed a finding, which is required to be reported by OMB Circular A-133.

7. The organization's major programs were:

   Airport Improvement Program (AIP) (CFDA #20.106)
   ARRA - TSA Airport Checked Baggage Inspection System Program (CFDA #97.117).

8. Dollar threshold used to distinguish between Type A and Type B programs: $420,960.

9. The auditee did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

Section II - *Financial Statement Findings Section*

No matters were noted.

Section III - ***Federal Program Audit Findings***

Reference Number	Finding
2013-001	**Program Name** - Drug Enforcement Agency - Federal Equitable Sharing Program - CFDA No. 16.922

Pass-through Entity - U.S. Department of Justice

Finding Type - Material Weakness

Criteria - A complete and accurate schedule of expenditures of federal awards is required in accordance with OMB Circular A-133, Section 205.

Condition - The schedule of expenditures of federal awards provided by the Authority was misstated for the Federal Equitable Sharing Program.

Questioned Costs - None

Context - The SEFA provided by the Authority contained $434,488 in expenditures for the Federal Equitable Sharing Program. The actual amount of expenditures for the year was $281,188.

The difference related to allowable expenditures for police vehicles that were paid for in 2012, but not reflected on the SEFA until 2013. These amounts should have been reflected on the 2012 SEFA.

Cause and Effect - The amount of expenditures for the Federal Equitable Sharing Program was overstated for 2013 and affected major program selection in 2013. As a result, the SEFA required changes to be in accordance with federal regulations. The error had no effect on 2012 major program selection.

Recommendation - We recommend that the Authority implement additional controls to ensure expenditures that are infrequent in nature or relate to unusual timing differences are accurately recognized on the SEFA.

Views of Responsible Officials and Planned Corrective Actions -
Management believes that finding 2013-01 occurred due to the result of timing of reported qualified grant expenditures. Appropriate internal controls were in place to identify the qualifying expenditures and inclusion on the 2013 SEFA; however, the timing and nature of the expenditures did not allow for inclusion on the 2012 SEFA. Management believes this was an isolated instance; however, the Authority's internal audit staff will be utilized to identify and test major program determination prior to finalizing the SEFA.

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2013

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2012-01	ARRA - TSA Airport Checked Baggage Inspection System Program CFDA No. 97.117	The schedule of expenditures of federal awards provided by the Airport was misstated for the TSA Airport Checked Baggage Inspection System. An auditor proposed adjustment to the SEFA was necessary to report the actual amount.	Corrected	n/a
2012-02	ARRA - TSA Airport Checked Baggage Inspection System Program CFDA No. 97.117	The grantor agency (TSA) performed a monitoring visit on the TSA Airport Checked Baggage Inspection System Program during fiscal year 2012. It is our understanding that the Airport's request for a report on the monitoring visit results has been denied by the TSA. The TSA is currently withholding reimbursement for approximately $5 million of the $7 million in grant expenditures reported on the current year schedule of expenditures of federal awards for this grant.	Corrected	n/a


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REGIONAL AIRPORT AUTHORITY

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COLUMBUS REGIONAL AIRPORT AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 22, 2014

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