OHIO AUDITOR OF STATE
KEITH FABER

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio (Airport), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio as of December 31, 2021 and 2020, and the respective changes in financial position and its cash flows, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airports ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of Passenger Facility Charges as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of Passenger Facility Charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the Airport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2022

This page intentionally left blank.

The Airport

The Akron – Canton Regional Airport Authority, (the "Airport") was dedicated in 1946 and commercial air service began in 1948, when the Airport served 43,042 passengers. Today the Airport is the second entry portal to Northeast Ohio for air travelers. In 2021 the Airport started to see a rebound in the amount of passengers served which had been significantly impacted by the COVID-19 Pandemic. The Airport served nearly 415,000 passengers which was a 42% increase from 2020.

Pre-pandemic, the Airport offered 22 daily flights to 10 non-stop destinations and has one stop service to virtually anywhere in the world. The Airport offered an average of 11 daily flights during 2020. The Airport continually updates and improves its facilities to ensure our passengers have a great experience. The Airport is currently completing a passenger gate replacement project to modernize our facility by replacing five older gates.

Overview of Financial Statements

The financial statements are presented in accordance with the accounting principles generally accepted in the United States of America, including GASB Statement No. 34. The statements are:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The statements are prepared on the accrual basis and present all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Airport, both financial and capital, and short and long – term. They also present revenues and expenses of the Airport during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Airport's financial condition as of December 31, 2021 and 2020 and the results of its operations and cash flows for the years then ended. Accompanying the statements are notes and required supplemental information that are integral parts to understanding the Airport's net position.

Financial Highlights

As of December 31, 2021, Operating Revenues increased slightly from the prior year but remain significantly lower due to the COVID-19 pandemic effect on air travel. The Airport had increased revenues in the areas of Rent, Parking and Other Operating Revenues. Parking revenues, which is one of the airport's largest revenue sources increased 31% from the prior year. Despite the continued reduction in revenue levels due to the COVID-19 pandemic, the Airport was able to meet all its debt service and financial obligations. Operating Expenses, apart from non-cash pension expenses, Other Post Employment Benefit (OPEB) expenses and depreciation expense were reduced by 5.6% or just over $440,000 compared to the prior year in response to the previous period reductions in revenue.

Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Airport using the accrual basis of accounting, which is similar to the accounting used by most private – sector institutions. Condensed information from the Airport's statements of net position, including comparative data from 2020 and 2019 is as follows:

(Table 1)
Net Position

	2021	2020	2019
Assets			
Current Assets	$ 803,750	$ 711,073	$ 1,623,286
Restricted Assets	13,592,421	17,992,586	27,301,992
Noncurrent Assets	173,135,867	177,269,723	171,199,517
Total Assets	187,532,038	195,973,382	200,124,795
Deferred Outflows of Resources			
OPEB	159,183	401,212	207,498
Pension	390,557	597,834	1,608,087
Total Deferred Outflow of Resources	549,740	999,046	1,815,585
Liabilities			
Current Liabilities	1,979,390	2,307,342	1,383,147
Noncurrent Liabilities	36,944,957	41,364,916	43,942,635
Total Liabilities	38,924,347	43,672,258	45,325,782
Deferred Inflows of Resources			
OPEB	999,263	403,795	40,927
Pension	1,248,311	886,637	123,626
Total Deferred Inflows of Resources	2,247,574	1,290,432	164,553
Net Position			
Net Investment in Capital Assets	138,853,348	144,203,988	146,003,351
Restricted Net Position	13,592,421	17,992,586	27,301,992
Unrestricted Net Position	(5,535,912)	(10,186,836)	(16,855,298)
Total Net Position	$ 146,909,857	$ 152,009,738	$ 156,450,045

An analysis of significant changes in assets, liabilities and net position for the year ended 2021 is as follows:

Assets

Total assets decreased $7,635,062 from 2020 due primarily to the following factors.

- Decrease in Assets Restricted for Airport Improvement
- Disposal of Fixed Assets associated with Gate Modernization Project

Liabilities

Total liabilities decreased $4,747,911 due primarily to the following factors

- Decrease in Net Pension Liability
- Decrease in Net OPEB Liability
- Decrease in Bonds Payable

An analysis of significant changes in assets, liabilities and net position for the year ended 2020 is as follows:

Assets

Total assets decreased $4,151,413 from 2019 primarily due to the following factors.

- Decrease in Cash and Cash Equivalents, Accounts Receivable and Prepaid Expense
- Decrease in Assets Restricted for Airport Improvement less offsetting increase in capital assets

Liabilities

Total liabilities decreased $1,653,524 due primarily to the following factors:

- Decrease in Net Pension Liability
- Decrease in Net OPEB Liability

Deferred Inflow of Resources and Deferred Outflows

The net pension liability (NPL) is reported by the Airport at December 31, 2021 and 2020, and is reported pursuant to GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27." In 2018, the Airport adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Airport's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and 75 require the net pension liability (asset) and the net OPEB liability to equal the Airport's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension and OPEB promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Airport is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained previously, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Airport's statements prepared on an accrual basis of accounting include an annual pension expense and annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Airport, as well as the non - operating revenues and expenses. Federal Funds, Car Rental Facility Charge, Passenger Facility Charge and Interest income are considered non – operating revenues. Condensed information from the Airport's Statement of Revenues, Expenses, and Changes in Net Position, including comparative data from 2020 and 2019 is as follows:

(Table 2)
Change in Net Position

	2021	2020	2019
Operating Revenues	$ 5,514,001	$ 5,179,656	$ 8,996,343
Operating Expenes (Including Depreciation)	15,092,960	18,638,299	19,641,329
Operating Income (Loss)	(9,578,959)	(13,458,643)	(10,644,986)
Net Non-Operating Revenues (Expenses)	4,479,078	9,018,336	7,896,255
Change in Net Position	(5,099,881)	(4,440,307)	(2,748,731)
Net Position Beginning of the Year (restated)	152,009,738	156,450,045	159,198,776
Net Position End of Year	$ 146,909,857	$ 152,009,738	$ 156,450,045

An analysis of significant changes in revenues and expenses for the year ended 2021 is as follows:

Operating Revenues

The Airport had an increase in annual passenger traffic of 42.16% compared to 2020 due to the resumption of air service that had been suspended due to the COVID -19 pandemic. As a result, the Airport experienced a slight recovery in most revenue areas. Operating revenues continue to be significantly lower than where they were pre-pandemic.

Operating Expenses

Operating expenses less depreciation, OPEB expense and pension expense adjustments decreased 5.6% from 2020. Due to the COVID 19 pandemic, the airport continues to make deliberate efforts to reduce expenses within all departments to maintain financial discipline to the extent possible. OPEB expense and pension expense adjustments were very significant during 2021 resulting in a reduction of nearly $2,338,000 in operating expenses.

Non-Operating Revenues

In 2021, the Airport received less federal funding compared to the previous year. The decrease was due to fewer new construction projects awarded due to COVID-19. The Airport was awarded slightly more less than $5 million in federal funds in 2021 from the Airport Improvement Program (AIP) for construction projects. The Airport was also awarded a little over $3.1 million through the Airport Coronavirus Response Grant Program in 2021. These federal funds are authorized by federal grants awarded to the Airport. Passenger Facility Charge (PFC) funds increased compared to 2020 due to the increase in passenger levels.

An analysis of significant changes in revenues and expenditures for the year ended 2020 is as follows:

Operating Revenues

The Airport had a decrease in annual passenger traffic of 65% compared to 2019 due to significant air service disruptions caused by the COVID-19 pandemic. As a result, the Airport experienced severe declines in Parking Revenues, and Charges for Service Revenues which encompass scheduled landing fees, rental car concession, terminal restaurant concessions, airline rental fees and passenger hold room rental fees.

Operating Expenses

Operating expenses less depreciation, OPEB expense and pension expense adjustments decreased 4% from 2019. Due to the COVID-19 pandemic, the airport made deliberate efforts to reduce expenses within all departments to maintain financial discipline to the extent possible.

Non-Operating Revenues

In 2020, the Airport received significantly more federal funding compared to the previous year. The increase was due to an ongoing Gate Replacement Project as well as funding associated with COVID-19 relief. The Airport was awarded slightly more than $11 million in federal funds in 2018 towards the Gate Replacement Project and was awarded $7.6 million through the Coronavirus Aid, Relief & Economic Security Act (CARES) in 2020. These federal funds are authorized by federal grants received by the Airport. Passenger Facility Charge (PFC) and Car Rental Facility Charge (CFC) funds decreased drastically compared to 2019 due to the decrease in passenger levels.

Budget Summary

The annual budget is the main document used to estimate revenues and expenses for the year and helps track the actual progress. However, the Airport is not required to follow the budgetary requirements of the Ohio Revised Code.

Capital Asset and Long-Term Debt Activity

The Airport's capital asset acquisitions during the year were for equipment replacements and facility enhancements. The Airport completed projects associated with taxiway and roadway improvements as well as the construction of a new maintenance storage facility. The Airport's long-term debt was comprised of three revenue bond agreements one with the Ohio Department of Transportation (ODOT) and two with S & T Bank at the end of the year. The Airport was issued $15,680,000 in debt via Airport Revenue Bonds with the Ohio Department of Transportation (ODOT) and issued $6,184,000 in debt via Airport Revenue Bonds with S&T Bank. These bonds were issued to fund a terminal concourse gate replacement project. The Airport also refinanced long-term debt in the amount of $13,155,251 with S&T Bank originally held by the Huntington National Bank. As of December 31, 2021, the Airport had $34,142,295 in Airport Revenue Bonds outstanding. See notes 8 and 11 in the Notes to the Financial Statements for further information related to debt and capital assets, respectively.

Current Issues

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Akron – Canton Regional Airport Authority. In addition, the impact on the Akron – Canton Regional Airport Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Contacting the Airport's Management

This financial report is designed to provide our users, investors and creditors with a general overview of the Airport's finances and to show the Airport's accountability for the money it receives. If you have questions about this report or need additional financial information contact James Krum, Vice President of Finance and Administration, at the Akron Canton Regional Airport, 5400 Lauby Road NW, Box 9, North Canton, OH. 44720.

This page intentionally left blank

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021 and 2020

	2021	2020
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 310,407	$ 275,333
Accounts Receivable	426,536	383,893
Prepaid Expenses	66,807	51,847
Total Current Assets	803,750	711,073
Assets Restricted for Airport Improvement Projects:		
Cash and Cash Equivalents	13,297,175	14,930,058
Restricted Revenue Bond Project Funds	180,532	3,013,083
Passenger Facility Charges Receivable	114,714	49,445
Total Assets Restricted for Airport Improvement Projects	13,592,421	17,992,586
Noncurrent Assets:		
Net OPEB Asset	320,756	-
Capital Assets:		
Airport Improvement Projects-In-Progress	41,210,552	36,305,235
Land and Land Improvements	52,821,716	52,821,716
Paving	116,017,131	116,017,131
Buildings	93,571,977	96,622,985
Vehicles and Equipment	25,769,380	25,638,281
Utility Systems	565,294	713,594
Less Accumulated Depreciation	(157,140,939)	(150,849,219)
Total Noncurrent Assets	173,135,867	177,269,723
TOTAL ASSETS	$ 187,532,038	$ 195,973,382
DEFERRED OUTFLOW OF RESOURCES:		
Total Deferred Outflows of Resources - OPEB	$ 159,183	$ 401,212
Total Deferred Outflows of Resources - Pension	390,557	597,834
Total Deferred Outflow of Resources	549,740	$ 999,046
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 188,081,778**	**$ 196,972,428**

The notes to the financial statements are an integral part of this statement

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF NET POSITION (Continued)
AS OF DECEMBER 31, 2021 and 2020

	2021	2020
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$ 159,505	$ 405,107
Accrued Payroll Expenses	759,800	884,100
Accrued Real Estate Taxes	63,215	63,215
Debt Due Within One Year	996,870	954,920
Total Current Liabilities	1,979,390	2,307,342
Long-Term Liabilities:		
Long-term Bonds Payable	34,127,028	35,123,898
Net OPEB Liability	-	2,484,748
Net Pension Liability	2,817,929	3,756,270
Total Long-Term Liabilities	36,944,957	41,364,916
TOTAL LIABILITIES	$ 38,924,347	$ 43,672,258
DEFERRED INFLOWS OF RESOURCES:		
Total Deferred Inflows of Resources - OPEB	999,263	403,795
Total Deferred Inflows of Resources - Pension	1,248,311	886,637
Total Deferred Inflows of Resources	2,247,574	1,290,432
Net Position:		
Net Investment in Capital Assets	138,853,348	144,203,988
Restricted for Airport Improvement Projects	13,592,421	17,992,586
Unrestricted Net Position	(5,535,912)	(10,186,836)
TOTAL NET POSITION	146,909,857	152,009,738
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 188,081,778**	**$ 196,972,428**

The notes to the financial statements are an integral part of this statement

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	2021	2020
Operating Revenues:		
Charges for Services	$ 2,398,284	$ 2,415,364
Rent	1,053,813	968,739
Parking	1,045,040	795,134
Other Operating Revenues	1,016,864	1,000,419
Total Operating Revenues	5,514,001	5,179,656
Operating Expenses:		
Salaries	2,854,649	2,900,855
Payroll Fringe Benefits	953,658	966,132
Pension Expense	(369,390)	137,937
OPEB Expense	(1,968,007)	227,337
Contract Services	883,242	1,578,074
Materials and Supplies	536,834	446,396
Utilities	783,628	717,681
Fuel	62,330	46,927
Insurance	111,218	101,796
Administrative	938,191	1,065,881
Depreciation	10,306,607	10,449,283
Total Operating Expenses	15,092,960	18,638,299
Operating (Loss)	(9,578,959)	(13,458,643)
Nonoperating Revenues (Expenses):		
Federal Funds	5,107,904	8,092,306
Car Rental Facility Charge Revenue	225,960	256,348
Passenger Facility Charge Revenue	900,720	636,967
Interest	14,986	99,983
Non Operating Airport Revenue	-	158,908
Loss on Disposal of Capital Assets	(258,487)	-
Interest Expense	(1,512,005)	(226,176)
Total Non-operating Revenues (Expenses)	4,479,078	9,018,336
Change in Net Position	(5,099,881)	(4,440,307)
Net Position - January 1	152,009,738	156,450,045
Net Postion - December 31	**$ 146,909,857**	**$ 152,009,738**

The notes to the financial statements are an integral part of this statement

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 5,471,358	$ 5,391,389
Cash Payments to Suppliers for Goods and Services	(3,576,005)	(3,676,813)
Cash Payments to Employees for Services	(3,932,607)	(3,726,200)
Net Cash Provided by Operations	**(2,037,254)**	**(2,011,624)**
Cash Flows from Capital and Related Financing Activities:		
Receipts from Passenger Facility Charge	835,451	809,344
Receipts from Car Rental Facility Charge	225,960	256,348
Grants	1,413,961	4,938,577
Grants - CARES	3,693,943	3,153,729
Non Operating Revenue	-	158,908
Acquisition of Construction of Capital Assets	(6,110,482)	(15,209,884)
Debt Principal Paid	(909,264)	(439,500)
Interest Paid	(1,557,661)	(1,581,436)
Net Cash (Provided by) Capital and Related Financing Activities	(2,408,092)	(7,913,914)
Cash Flows from Investing Activities:		
Interest Received	14,986	99,983
Net Cash Provided by Investing Activities	14,986	99,983
Net Increase (Decrease) in Cash and Cash Equivalents	(4,430,360)	(9,825,555)
Cash and Cash Equivalents - January 1	18,218,474	28,044,029
Cash and Cash Equivalents - December 31	**13,788,114**	**18,218,474**
Statement of Net Position Classification		
Cash and Cash Investments	$ 13,607,582	$ 15,205,391
Restricted Cash	180,532	3,013,083
Total Cash and Cash Equivalents	**$ 13,788,114**	**$ 18,218,474**
Cash Flows from Operating Activities:		
Operating (Loss)	(9,578,959)	(13,458,643)
Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities:		
Depreciation	10,306,607	10,449,283
(Increase) Decrease in Accounts Receivable	(42,643)	211,733
(Increase) Decrease in Prepaid Assets	(14,960)	11,954
(Increase) Decrease in Net OPEB Asset	(320,756)	-
(Increase) Decrease in Deferred Outflows Related to Pension	207,277	1,010,253
(Increase) Decrease in Deferred Outflows Related to OPEB	242,029	(193,714)
Increase (Decrease) in Accounts Payable	(245,602)	269,238
Increase (Decrease) in Project Payable	-	(1,250)
Increase (Decrease) in Payroll related Liabilities	(124,300)	140,786
Increase (Decrease) in Net Pension Liability	(938,341)	(1,635,326)
Increase (Decrease) in OPEB Liability	(2,484,748)	58,183
Increase (Decrease) in Deferred Inflows Related to Pension	361,674	763,011
Increase (Decrease) in Deferred Inflows Related to OPEB	595,468	362,868
Total Adjustments	7,541,705	11,447,019
Net Cash Provided by Operating Activities	**$ (2,037,254)**	**$ (2,011,624)**

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Akron-Canton Regional Airport (the Airport) was founded in 1946, as a governmental entity, for the purpose of operating an airport facility serving commercial carriers and industrial concerns. The Akron-Canton Regional Airport Authority was created by resolution of the County Commissioners of Stark and Summit Counties of Ohio in 1964. The Airport is governed by a Board of Trustees consisting of representatives from both Stark and Summit Counties.

The Airport's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units.*" The financial statements include all departments and operations for which the Airport 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 may also be deemed to exist if there is a potential for the organization to provide financial benefit to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Airport itself are included in the financial reporting entity.

B. BASIS OF ACCOUNTING

The Airport uses "fund accounting" to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Airport functions or activities.

A fund is defined as a fiscal and accounting entity with a self - balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the Airport has one fund which is categorized as a proprietary fund. Proprietary funds are used to account for the Airport's ongoing activities which are similar to those found in the private sector. The following is the Airport's proprietary fund type:

Enterprise Fund - A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The accounting and financial reporting treatment applied to the Airport's fund is determined by their measurement focus. The Airport's enterprise fund, uses a flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The Airport uses the accrual basis of accounting, which records revenue when earned and measurable and expenses when the liability is incurred. Revenues subject to accrual are charges for services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

Property and Equipment

Property and Equipment – The Airport's capitalization threshold is $3,000. Substantially all of the Airport's grounds and runways were contributed by the U.S. Government at the time the Airport was founded. These assets were recorded at their estimated fair value as of the date the contributions were made. Property and equipment acquired subsequent to the Airport's inception is carried at cost.

Renewals and betterments are capitalized. The cost of maintenance and repairs are charged to expense accounts as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Paving	2-30 years
Buildings	3-30 years
Vehicles and equipment	3-20 years
Utility systems	3-20 years

Compensated Absences – The Airport accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the Statement of Net Position date by those employees who currently are eligible to receive termination payments. To calculate the liability, those accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the Accrued Payroll Expenses liability amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Assets Restricted for Airport Improvement Projects – Cash and cash equivalents, and investments funded by federal grant monies, along with passenger facility charges receivable, are restricted for use in various Airport Improvement Projects. Such deposits, along with passenger facility charges receivable, are not available for use in the general operations of the Airport. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents –The Airport considers all highly liquid investments with a maturity of three months or less to be cash equivalents. STAR Ohio (the State Treasury Asset Reserve of 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 and Exchange Commission (SEC) as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The Airport measures their investment in STAR Ohio at the net asset value (NAV) per share

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2021 and 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, with respect to 2021 deposits, twenty-four hours advance notice is appreciated for deposits and withdrawals for $100 million or more. Star Ohio reserves the right to limit the transactions to $250 million per day, requiring the excess amount be transacted the following business day(s), but only to the $250 million limit. All account participants will be combined for these purposes.

Pensions/Other Postemployment Benefits (OPEB)
For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Accounting and Reporting for Nonexchange Transactions – The Airport accounts for nonexchange transactions in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Nonexchange transactions occur when the Airport receives (or gives) something of value without giving (or receiving) equal value in return. As such, and in conformity with GASB Statement No. 33, the Airport has recognized grant funds expended for capitalizable property and equipment as revenues and the related depreciation thereon, as expenses in the accompanying financial statements.

Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Airport, there were no deferred outflows of resources to report other than OPEB and pension deferred outflows. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Airport, there were no deferred inflows of resources to report other than OPEB and pension deferred inflows.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services, lease rents, parking and other operating revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Airport. Revenues and expenses which do not meet these definitions are reported as non-operating.

Net Position – Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other Airport Improvement Projects include resources from federal and state grants restricted for specified purposes.

Use of Accounting Estimates – Management uses estimates and assumptions in preparing financial statements in accordance with Generally Accepted Accounting Principles (GAAP). These estimates and assumptions affect the reported amounts in the financial statements and accompanying notes. Actual results could vary from the estimates that were used.

C. CHANGE IN ACCOUNTING PRINCIPLES

For 2021, the Airport has implemented GASB Statement No. 89, "Accounting for Interest Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The provisions of this statement are applied prospectively.

For 2021, the Airport has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the Airport has elected delaying implementation until the fiscal year ended December 31, 2022:
□ Statement No. 91, Conduit Debt Obligations
□ Statement No. 92, Omnibus 2020
□ Statement No. 93, Replacement of Interbank Offered Rates

The following pronouncements are postponed by eighteen months and the Airport has elected delaying implementation until the fiscal year ended December 31, 2022:
□ Statement No. 87, Leases
□ Implementation Guide No. 2019-3, Leases

2. CASH AND CASH EQUIVALENTS

The investment and deposit of Airport monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Airport to invest its monies in certificates of deposit, commercial paper, savings accounts, money market accounts, the State Treasurer's Asset Reserve investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The Airport may also enter into repurchase agreements, for a period not to exceed 30 days, with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers. The Airport is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Airport is also prohibited from investing in reverse repurchase agreements.

Deposits with Financial Institutions

At December 31, 2021 and 2020, the carrying amount of the Airport's deposits was $13,527,302 and $15,125,061, respectively, excluding petty cash deposits of $152 and $116. The bank balance was $14,117,934 and $15,489,574 at December 31, 2021 and 2020, respectively. Additionally, in 2018, the Airport received restricted Revenue Bond proceeds for the Airport Improvement project. The carrying amount of the Airport's proceeds and bank balance at December 31, 2021 and 2020 were $180,532 and $3,013,083, respectively. The entire balance of the remaining proceeds was covered by the FDIC. Of the depository bank balance, $1,073,228 was covered by the FDIC, $11,925,015 was covered by the Ohio Pooled (OPCS), while $1,119,691 was not collateralized.

Custodial credit risk is the risk that, in the event of bank failure, the Airport will not be able to recover deposits or collateral securities that are in the possession of an outside party. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the Airport and deposited with a qualified trustee by the financial

2. CASH AND CASH EQUIVALENTS (Continued)

institution as security for repayment, whose market value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. The Airport has no deposit policy for custodial credit risk beyond the requirements of the State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Airport to a successful claim by the FDIC.

The securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Airport's investment policy does not specifically address credit risk beyond requiring the Airport to only invest in securities authorized by State statue.

Concentration of Credit Risk: The Airport's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific class of securities. The following table includes the percentages of each investment held by the Airport at December 31, 2021 and 2020 respectively:

Measurement / Investment Type	Measurement Amount	% of Total
December 31, 2021		
Net Asset Value (NAV) STAR Ohio	$80,280	100%
December 31, 2020		
Net Asset Value (NAV) STAR Ohio	$80,214	100%

3. INSURANCE COVERAGES

As of December 31, 2021 and 2020, the Airport had general liability insurance coverage of $50,000,000 for each occurrence and in the aggregate; director and officer liability coverage of $5,000,000 per loss and in the aggregate; vehicle liability coverage with a combined single limit of $1,000,000; public officials' coverage of $5,000,000 per loss and in the aggregate; environmental impairment coverage of $1,000,000 per loss and in the aggregate and cyber liability insurance coverage of $1,000,000 for each occurrence and in aggregate. The risks of loss exposed to the Airport include theft, fire, errors and omissions, and general liability. There has been no reduction in insurance coverage during the year ending December 31, 2021. Settlement costs did not exceeded coverage in the past three years.

4. VACATION BENEFITS

Employees hired on or before January 1, 1996 earn two weeks of vacation annually during their first five years of service plus an additional week for every five years thereafter, up to a maximum of six weeks. Employees hired after January 1, 1996 can earn a maximum of five weeks of vacation. Vacation leave may, upon approval, be carried over for up to three years. As of December 31, 2021, and 2020, the accrual for vacation benefits totaled $394,232 and $417,528, respectively, and is included in the Accrued Payroll Expense in the accompanying Statement of Net Position.

5. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued payroll expenses.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Airport employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Airport employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information):

5. DEFINED BENEFIT PENSION PLAN (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	2021 State and Local	2020 State and Local
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0%
Employee	10.0 %	10.0%
Actual Contribution Rates		
Employer:		
Pension	14.0 %	14.0%
Post-employment Health Care Benefits	0.0	0.0%
Total Employer	14.0 %	14.0%
Employee	10.0 %	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Airport's contractually required contribution for the period ended December 31, 2021 were $386,976. 100% has been contributed for 2021. Of this amount, $0 is reported as accrued payroll expenses.

5. DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	2021	2020
Proportionate Share of the Net Pension Liability	$2,817,929	$3,756,270
Proportion of the Net Pension Liability	0.019030%	0.019004%
Pension Expense	$17,588	$519,863
Change in Proportion from Prior Year	0.000026%	-0.000682%

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

	OPERS	
	2021	2020
Deferred outflows of resources		
Changes in proportion and differences between Airport contributions and proportionate share of contributions	$ 3,581	$ 15,279
Changes in assumptions	-	200,629
Airport's contributions subsequent to the measurement date	386,976	381,926
Total	**$ 390,557**	**$ 597,834**
Deferred inflows of resources		
Net difference between projected and actual earnings on pension plan investments	$ 1,098,346	$ 749,291
Differences between expected and actual experience	117,876	47,493
Changes in proportion and differences between Airport contributions and proportionate share of contributions	32,089	89,853
Total	**$ 1,248,311**	**$ 886,637**

5. DEFINED BENEFIT PENSION PLAN (Continued)

$386,976 reported as deferred outflows of resources related to pension resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2022	($493,377)
2023	(153,832)
2024	(447,723)
2025	(149,798)
Total	($1,244,730)

Actuarial Assumptions - OPERS

OPERS' total pension asset/liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disability, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the

historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2020, are presented below:

	2020	2019
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including w age inflation	3.25 to 10.75 percent including w age inflation
COLA or Ad Hoc COLA	3.00 percent, simple through 2021 then 2.15 percent	3.00 percent, simple through 2020, then 2.15 percent
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are now based on the RP-2014 Employee mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation

5. DEFINED BENEFIT PENSION PLAN (Continued)

period base year of 2006. The base year for males and females was then established to be 2015 and 2010 respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to previously noted tables.

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

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

During 2020 OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, and the defined benefit component of the Combined Plan. Within the Defined Benefit portfolio, contributions into the plan are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

	2020		2019	
Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %	25.00 %	1.83 %
Domestic Equities	21.00	5.64	19.00	5.75
Real Estate	10.00	5.39	10.00	5.20
Private Equity	12.00	10.42	12.00	10.70
International Equities	23.00	7.36	21.00	7.66
Other investments	9.00	4.75	13.00	4.98
Total	100.00 %	5.43 %	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability for measurement years 2020 and 2019 was 7.2 percent for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the Airport's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Airport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

		1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
2021	Airport's proportionate share of the net pension liability	$5,375,214	$2,817,929	$691,550

		1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
2020	Airport's proportionate share of the net pension liability	$6,195,304	$3,756,270	$1,563,649

Defined Contribution Plan
OPERS also offers a defined contribution plan, the Member-Directed Plan. The Member-Directed Plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Combined Plan
OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced benefit.

Employees electing the combined plan receive post-retirement health care benefits. OPERS provide retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

6. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/(Asset)

OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net OPEB liability/(asset) represents the Akron - Canton Regional Airport Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and

6. DEFINED BENEFIT OPEB PLAN (Continued)

others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Akron – Canton Regional Airport Authority's obligation for this liability/(asset) to annually required payments. The Airport cannot control benefit terms or the manner in which OPEB are financed; however, the Airport does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability/(asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability/(asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

The Akron – Canton Regional Airport Authority's employees participate in the Ohio Public Employee Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for the eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and VEBA Trust were closed as of June 30, 2016 and the net position transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under the Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy - The Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretion over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the year ended December 31, 2020, in the Traditional Plan OPERS allocated 0% of employer contributions to post-employment health care.

OPEB Liabilities/Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/(asset) was measured as of December 31, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The Akron – Canton Regional Airport Authority's proportion of the net OPEB liability/(asset) was based on the Akron – Canton Regional Airport Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

6. DEFINED BENEFIT OPEB PLAN (Continued)

	2021	2020
Proportionate Share of the Net OPEB Liability/(Asset)	$ (320,756)	$ 2,484,748
Proportion of the Net OPEB Liability/(Asset)	0.018004%	0.017989%
Increase / (decrease) in % from prior proportion measured	0.000015%	-0.000623%
OPEB Expense	$ (1,968,007)	$ 226,876

At December 31, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021	2020
Deferred Outflows of Resources		
Differences between expected and actual experience	$ -	$ 67
Changes in proportion and differences between Airport contributions and proportionate share of contributions	1,496	7,836
Changes in assumptions	157,687	393,309
Total	$ 159,183	$ 401,212

	2021	2020
Deferred Inflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$ 170,839	$ 126,523
Differences between expected and actual experience	289,480	227,242
Changes in proportion and differences between Airport contributions and proportionate share of contributions	19,224	-
Changes in assumptions	519,720	50,030
Total	$ 999,263	$ 403,795

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

Year Ending December 31:	
2022	($447,567)
2023	(298,141)
2024	(74,240)
2025	(20,132)
Total	($840,080)

6. DEFINED BENEFIT OPEB PLAN (Continued)

Actuarial Assumptions - OPERS

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 year period ended December 31, 2015	5 year period ended December 31, 2015
Actuarial Cost Method	Individual Entry age	Individual entry age
Actuarial Assumptions	-	-
Single Discount Rate		
Single Discount Rate current measurement	6.00%	3.16%
Investment Rate of Return	6.00%	6.00%
Single Discount Rate prior measurement period	3.16%	3.16%
Municipal Bond Rate	2.00%	2.75%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25% - 10.75% (includes wage inflation)	3.25% - 10.75% (includes wage inflation)
Health Care Trend Rate	8.5% initial, 3.50% ultimate in 2035	10.0% initial, 3.25% ultimate in 2030

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

A single discount rate of 6.00% as used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement

6. DEFINED BENEFIT OPEB PLAN (Continued)

date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer

contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Airport's Proportional Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following table presents the OPEB liability/(asset) calculated using the single discount rate of 6.00%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

		1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
2021	Airport's proportionate share of the net OPEB liability/(asset)	($79,758)	($320,756)	($518,875)

		1% Decrease 2.16%	Current Discount Rate 3.16%	1% Increase 4.16%
2020	Airport's proportionate share of the net OPEB liability/(asset)	$3,251,692	$2,484,813	$1,870,676

Sensitivity of the Airport's Proportional Share of the Net OPEB Liability/(Asset) to Changes in Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

6. DEFINED BENEFIT OPEB PLAN (Continued)

		1% Decrease 7.50 % decreasing to 2.50 %	Current Trend 8.50% decreasing to 3.50%	1% Increase 9.5% decreasing to 4.50%
2021	Aiport's proportionate share of the net OPEB liability/(asset)	($328,573)	($320,756)	($312,009)

		1% Decrease 9.50 % decreasing to 2.50 %	Current Trend 10.00% decreasing to 3.50%	1% Increase 11.5% decreasing to 4.50%
2020	Aiport's proportionate share of the net OPEB liability/(asset)	$2,411,425	$2,484,813	$2,557,136

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return.

2020 Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

6. DEFINED BENEFIT OPEB PLAN (Continued)

2019

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate	6.00	5.67
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is (10.5%) for 2020.

7. DEFERRED EMPLOYEE BENEFITS

Deferred employee benefits consist exclusively of accrued sick leave. Full-time employees accumulate ten hours of sick leave for each completed month in active pay status. Part-time employees accrue sick leave on a proportionate basis. Upon retirement, employees are paid for accrued sick leave, up to a maximum of 960 hours. Employees qualify for this payment upon retirement by having at least five years of service with the Airport and being eligible to receive OPERS retirement benefits.

8. LONG-TERM LIABILITIES

The changes in the Airport's long-term obligations during 2021 were as follows:

Name	Principal Outstanding 12/31/2020	Additions	Deductions	Principal Outstanding 12/31/2021	Due in One Year
S&T Bank Series A 2018	13,291,053	-	350,848	12,940,205	366,344
S&T Bank Series B 2018	6,080,506	-	143,416	5,937,090	149,870
SIB Series A 2018	15,680,000	-	415,000	15,265,000	435,000
SIB Series A 2018 Premium	1,027,259	-	45,656	981,603	45,656
Net OPEB Liability	2,484,748	-	2,484,748	-	-
Net Pension Liability	3,756,270	-	938,341	2,817,929	-
Totals	**$ 42,319,836**	**$ -**	**$ 4,378,009**	**$ 37,941,827**	**$ 996,870**

The changes in the Airport's long-term obligations during 2020 were as follows:

Name	Principal Outstanding 12/31/2019	Additions	Deductions	Principal Outstanding 12/31/2020	Due in One Year
S&T Bank Series A 2018	13,627,059	-	336,006	13,291,053	350,848
S&T Bank Series B 2018	6,184,000	-	103,494	6,080,506	143,416
SIB Series A 2018	15,680,000	-	-	15,680,000	415,000
SIB Series A 2018 Premium	1,072,915	-	45,656	1,027,259	45,656
Net OPEB Liability	2,426,565	58,183	-	2,484,748	-
Net Pension Liability	5,391,596	-	1,635,326	3,756,270	-
Totals	**$ 44,382,135**	**$ 58,183**	**$ 2,120,482**	**$ 42,319,836**	**$ 954,920**

Airport Bonds - During 2010, the Airport along with Huntington Bank reissued the 2007 Airport Revenue Bonds. The Bonds bear interest at a variable rate and mature on January 1, 2031. In 2018 the Airport refinanced these bonds with S & T Bank as part of larger financing deal. These bonds are now S & T Bank Series A 2018. The total amount of Airport Bonds refunded was $13,155,251.

S & T Bank Series A – These bonds were issued in 2018 to refinance the existing Revenue Bonds held by Huntington Bank. The amount of the new bonds issued was $14,027,150. This included the $13,155,251 in Airport Bonds that were refunded. The remainder of the issuance went towards fees associated with the transaction and breakage of an interest rate swap agreement associated with the Airport Bonds. Payments on these bonds are due monthly. The Future annual requirements to amortize the S&T Bank Series A 2018 bonds outstanding as of December 31, 2021 are as follows:

8. LONG-TERM LIABILITIES (Continued)

Year Ending December 31,	Principal Payment	Interest Payment
2022	$ 366,344	$ 553,097
2023	382,526	536,916
2024	399,422	520,020
2025	417,064	502,377
2026	435,486	483,956
2027-2031	2,483,524	2,113,684
2032-2036	3,082,648	1,514,561
2037-2041	3,826,304	770,905
2042-2043	1,546,887	62,410
Total	**$ 12,940,205**	**$ 7,057,926**

S &T Bank Series B 2018 – These bonds were issued in 2018 on behalf of the Airport to help fund the passenger gate replacement project that commenced in late 2018. The total amount of bonds issued was $6,184,000. Payments on these bonds are due monthly starting in April 2020. The Future annual requirements to amortize the S&T Bank Series B 2018 bonds outstanding as of December 31, 2021 are as follows:

Year Ending December 31,	Principal Payment	Interest Payment
2022	$ 149,870	$ 258,821
2023	156,615	252,076
2024	163,663	245,028
2025	171,028	237,663
2026	178,724	229,966
2027-2031	1,021,755	1,021,697
2032-2036	1,273,307	770,145
2037-2041	1,586,791	456,662
2042-2045	1,235,337	92,906
Total	**$ 5,937,090**	**$ 3,564,964**

State of Ohio Infrastructure Bank Series A 2018 - These bonds were issued in 2018 on behalf of the Airport to help fund the passenger gate replacement project that commenced in late 2018. Payments on these bonds are due semi - annually starting in May 2021. The $16,798,571 balance associated with these bonds is comprised of two parts. The principal amount of these Revenue Bonds is $15,680,000. The remaining $1,141,399 is for the Bond Premium Payable associated with this borrowing. The Bond Premium Payable will be amortized over the life of the borrowing. The Future annual requirements to amortize the State of Ohio Infrastructure Bank Series A 2018 bond outstanding as of December 31, 2021 are as follows:

8. LONG-TERM LIABILITIES (Continued)

Year Ending December 31,	Principal Payment	Interest Payment
2022	$ 435,000	$ 675,600
2023	455,000	653,600
2024	485,000	630,475
2025	505,000	605,975
2026	530,000	580,475
2027-2031	3,045,000	2,512,313
2032-2036	3,690,000	1,863,350
2037-2041	4,535,000	1,019,600
2042-2043	1,585,000	79,875
Total	**$ 15,265,000**	**$ 8,621,263**

Year Ending December 31,	Reduction of Bond Premium Payable
2022	$ 45,656
2023	45,656
2024	45,656
2025	45,656
2026	45,656
2027-2031	228,280
2032-2036	228,280
2037-2041	228,280
2042-2043	68,483
Total	**$ 981,603**

9. NONCANCELLABLE LEASES

The Airport leases space, hangars, counters, gates, etc. to various entities under noncancellable operating lease agreements. All leases are for the ground or space occupied by the lease. All leases are triple-net leases. Future minimum rentals as of December 31, 2021 under such agreements are as follows:

Year Ending December 31,	Amount
2022	$ 5,861,567
2023	4,899,496
2024	4,823,463
2025	4,609,689
2026	4,455,181
Thereafter	13,272,578
Total Payments	$ 37,921,974

10. AIRPORT IMPROVEMENT PROJECTS-IN-PROGRESS

Airport Improvement Projects-in-Progress consists of expenses for capitalized improvements or additions to the Authority's facilities. The cost of completed projects is transferred to property and equipment accounts and depreciated over the estimated useful lives of the projects as of the date of completion. Airport Improvement Projects-in-Progress consist of the following at December 31, 2021:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #6216	$ 1,959,095	$ 1,246,103	$ 3,205,198
AIP #6418	5,507,092	501,155	6,008,247
AIP #6518	3,953,108	831,594	4,784,702
AIP #6720	740,220	20,956	761,176
AIP #6921	258,972	1	258,973
AIP #7X22	2,210,479	245,609	2,456,088
Gate Mod. Project	-	23,335,148	23,335,148
Various Projects	-	401,020	401,020
Total	$ 14,628,966	$ 26,581,586	$ 41,210,552

Airport Improvement Projects-in-Progress consist of the following at December 31, 2020:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #6216	$ 1,959,095	$ 1,246,103	$ 3,205,198
AIP #6418	5,368,904	596,545	5,965,449
AIP #6518	4,221,821	469,092	4,690,913
AIP #6720	273,314	-	273,314
Gate. Mod. Project	-	21,470,647	21,470,647
Various Projects	-	699,714	699,714
Total	$ 11,823,134	$ 24,482,101	$ 36,305,235

11. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021:

	12/31/2020 Balance	Additions	Deletions	12/31/2021 Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progress	$ 36,305,235	$ 5,323,092	$ (417,775)	$ 41,210,552
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	89,126,951	5,323,092	(417,775)	94,032,268
Capital assets being depreciated:				
Buildings	96,622,985	265,025	(3,316,032)	93,571,978
Paving	116,017,131	-	-	116,017,131
Vehicles and Equipment	25,638,281	940,140	(809,041)	25,769,380
Utility Systems	713,594	-	(148,300)	565,294
Total capital assets being depreciated	238,991,991	1,205,165	(4,273,373)	235,923,783
Less accumulated depreciation				
Buildings	(63,721,271)	(4,701,332)	3,057,545	(65,365,058)
Paving	(65,601,487)	(4,778,625)	-	(70,380,112)
Vehicles and Equipment	(20,862,317)	(810,154)	809,041	(20,863,430)
Utility Systems	(664,144)	(16,496)	148,300	(532,340)
Total accumulated depreciation	(150,849,219)	(10,306,607)	4,014,886	(157,140,940)
Capital assets, net of depreciation	$ 177,269,723	$ (3,778,350)	$ (676,262)	$172,815,111

11. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2020:

	12/31/2019 Balance	Additions	Deletions	12/31/2020 Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progress	$ 21,456,702	$ 15,430,387	$ (581,854)	$ 36,305,235
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	74,278,418	15,430,387	(581,854)	89,126,951
Capital assets being depreciated:				
Buildings	96,097,382	525,603	-	96,622,985
Paving	116,017,131	-	-	116,017,131
Vehicles and Equipment	24,529,228	1,109,053	-	25,638,281
Utility Systems	677,294	36,300	-	713,594
Total capital assets being depreciated	237,321,035	1,670,956	-	238,991,991
Less accumulated depreciation				
Buildings	(58,911,527)	(4,809,744)	-	(63,721,271)
Paving	(60,787,789)	(4,813,698)	-	(65,601,487)
Vehicles and Equipment	(20,057,603)	(804,714)	-	(20,862,317)
Utility Systems	(643,017)	(21,127)	-	(664,144)
Total accumulated depreciation	(140,399,936)	(10,449,283)	-	(150,849,219)
Capital assets, net of depreciation	$ 171,199,517	$ 6,652,060	$ (581,854)	$ 177,269,723

The Airport capitalized $390,067 in interest expense associated with Phase I of the Terminal Gate Rehabilitation which is included in the Buildings Additions in the above table. There was no interest earned on the capitalized amount.

12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, particularly the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed, by the grantor cannot be determined at this time although the Airport expects such amounts, if any, to be immaterial.

Management believes there are no pending claims or lawsuits that would have a material, if any, effect on the financial condition of the Airport.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended June 2021, while the national state of emergency continues. During 2021, the Airport received COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Akron – Canton Regional Airport Authority. In addition, the impact on the Akron – Canton Regional Airport Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

14. SERVICE CONCESSION ARRANGEMENT

The Airport has a concession agreement with SP Plus Corporation to manage the day to day operations of the Airport's short and long-term parking lots. The current agreement went into effect April 2012 and runs through May 2027. The Airport owns the parking lots, the parking structures, and equipment. SP Plus Corporation remits a tiered percentage of gross proceeds to the Airport on a monthly basis. The remaining percentage of gross proceeds goes to SP Plus Corporation to fund their operation. The current agreement has a minimum annual guarantee (MAG) of $3.6 million.

This page intentionally left blank

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Required Supplementary Information on GASB 68 Pension Liabilities
For the Years Ended December 31, 2021 and 2020

Schedule of the Airport's Proportionate Share of OPERS Net Pension Liability:

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Airport's proportion of the net pension liability (asset) (percentage) - Traditional Plan	0.019030%	0.019004%	0.019686%	0.019403%	0.203700%	0.021326%	0.021587%	0.021587%
Airport's proportionate share of the net pension liability (asset) - Traditional Plan	$ 2,817,929	$ 3,756,270	$ 5,391,596	$ 3,043,955	$4,625,681	$3,693,932	$2,603,633	$2,544,826
Airport's covered payroll	$ 2,728,044	$ 2,673,790	$ 2,795,754	$ 2,607,208	$2,675,890	$2,669,464	$2,660,511	$2,774,597
Airport's pension liability (asset) as a percentage of its covered payroll	103.29%	140.48%	192.85%	116.75%	172.87%	138.38%	97.86%	91.72%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Information prior to 2013 is not available

Schedule of the Airport's Contributions to OPERS Pension:

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 386,976	$ 381,926	$ 374,331	$ 391,406	$ 338,937	$ 321,107	$ 318,659	$ 317,590
Contributions in relation to contractually required contribution	(386,976)	(381,926)	(374,331)	(391,406)	(338,937)	(321,107)	(318,659)	(317,590)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Airport's covered payroll	$ 2,764,114	$ 2,728,044	$ 2,673,790	$ 2,795,754	$2,607,208	$2,675,890	$2,669,464	$2,660,511
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	11.94%	11.94%

Information prior to 2014 is not available.

* Amounts presented for each year were determined as of the Airport's measurement date, which is the prior year end.
See accompanying nores to the required supplementary information.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Required Supplementary Information on GASB 75 OPEB Liabilities
For the Years Ended December 31, 2021 and 2020

Schedule of the Airport's Proportionate Share of OPERS Net OPEB Liability/(Asset):

	2021*	2020*	2019*	2018*	2017*
Airport's proportion of the net OPEB liability/asset (percentage) - Traditional Plan	0.018004%	0.017989%	0.018612%	0.018400%	0.019363%
Airport's proportionate share of the net OPEB liability (asset)	$ (320,756)	$ 2,484,748	$ 2,426,565	$ 1,988,104	$ 1,955,731
Airport's covered payroll	$ 2,728,044	$ 2,717,741	$ 2,795,754	$ 2,607,208	$ 2,675,980
Airport's pension liability/asset as a percentage of its covered payroll	11.76%	91.43%	86.79%	76.25%	73.08%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	47.80%	46.33%	54.14%	54.05%

Information prior to 2016 is not available.

Schedule of the Airport's Contributions to OPERS OPEB:

	2021	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ 1,758	$ -	$ 26,759
Contributions in relation to contractually required contribution	-	-	(1,758)	-	(26,759)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -	$ -
Airport's covered payroll	$ 2,764,114	$ 2,728,044	$ 2,717,741	$ 2,795,754	$ 2,607,208
Contributions as a percentage of covered payroll	0.00%	0.00%	0.06%	0.00%	1.03%

Information prior to 2017 is not available.

* Amounts presented for each year were determined as of the Airport's measurement date, which is the prior year end.
See accompanying nores to the required supplementary information.

Note 1 - Changes in Assumptions – OPERS Pension

Amounts reported for fiscal year 2017 (Measurement Period 2016) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 (Measurement Period 2015) and prior are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2016	December 31, 2015
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	8.00%
Wage Inflation	3.25%	3.75%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	4.25% to 10.05% (Includes wage inflation of 3.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from RP-2000 mortality tables to the RP-2014 mortality tables.

There are no changes in actuarial valuation for measurement period 2017 versus measurement period 2016.

Changes for the measurement period 2018 versus the measurement period 2017 included a reduction of the discount rate from 7.5% to 7.2%.

Changes for the measurement period for 2019 versus the measurement period for 2018 included an extension of the 3.00% cost-of-living adjustment for post – January 7, 2013 retirees from 2018 through 2020.

There were no signification changes for the measurement period 2020 versus the measurement period 2019.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2019 (Measurement Period 2018) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2018 (Measurement Period 2017) are presented below:

Note 2 - Changes in Assumptions – OPERS OPEB (Continued)

Key Methods and Assumptions Used in Valuation of Total OPEB Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2017	December 31, 2016
Rolled-forward measurement date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.96%	3.85%
Investment Rate of Return	6.00%	6.50%
Municipal Bond Rate	3.71%	3.31%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10% initial, 3.25% ultimate in 2029	7.5% initial, 3.25% ultimate in 2028

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a increase of the discount rate from 3.85% to 3.96%, a reduction in the investment rate of return 6.50% to 6.00%, and an increase in bond rate from 3.31% to 3.71%.

Amounts reported for fiscal year 2020 (Measurement Period 2019) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2019 (Measurement Period 2018) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.16%	3.96%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.75%	3.71%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.5% initial, 3.50% ultimate in 2030	10% initial, 3.25% ultimate in 2029

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.96% to 3.16% and a decrease in bond rate from 3.71% to 2.75%. There is also a change Health Care Cost Trend Rates.

For 2021 (measurement year 2020), the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% down to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%. initial/3.50% ultimate in 2035.

Change in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPER-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changers are reflected in 2021.

This page intentionally left blank

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Schedule of Receipts and Expenditures of Federal Award
For the Year Ended December 31, 2021

	Federal Grantor/ Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Receipts	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Direct Funding:					
	Airport Improvement Program:				
	Airport Improvement Project No. 61	3-39-000-6115	20.106	$ 640,648	$ -
	Airport Improvement Project No. 64	3-39-000-6418	20.106	(246,067)	365,303
	Airport Improvement Project No. 65	3-39-000-6518	20.106	(57,918)	2,227,521
	Airport Improvement Project No. 67	3-39-000-6720	20.106	818,326	910,223
COVID-19	Airport Improvement Project No. 68	3-39-000-6820	20.106	3,693,943	3,693,943
	Airport Improvement Project No. 69	3-39-000-6921	20.106	258,972	258,973
	Total -- U.S. Department of Transportation			5,107,904	7,455,963
Total Federal Financial Assistance				$ 5,107,904	$ 7,455,963

The accompanying notes to this schedule are an integral part of this schedule.

Akron - Canton Regional Airport Authority
Schedule of Expenditures of Passenger Facility Charges
for the Year ended December 31, 2021

Project Number	Project Name	Approved Project Budget	Cumulative Expenditures at 12/31/120	1st Qtr. 2021 Expenditures	2nd Qtr. 2021 Expenditures	3rd Qtr. 2021 Expenditures	4th Qtr. 2021 Expenditures	Total 2021 Expenditures	Cumulative Expenditures at 12/31/21
PFC6-01	Property Acquisition- Ketron	$128,169.00	$128,169.00	$0.00	$0.00	$0.00	$0.00	$0.00	$128,169.00
PFC6-02	Property Acquisition- Goodyear	$246,802.00	$246,802.00	$0.00	$0.00	$0.00	$0.00	$0.00	$246,802.00
PFC6-03	Property Acquisition- Fouts	$163,810.00	$163,810.00	$0.00	$0.00	$0.00	$0.00	$0.00	$163,810.00
PFC6-04	Property Acquisition- Frayer	$97,567.00	$97,567.00	$0.00	$0.00	$0.00	$0.00	$0.00	$97,567.00
PFC6-05	Property Acquisition- Salmons	$120,831.00	$120,831.00	$0.00	$0.00	$0.00	$0.00	$0.00	$120,831.00
PFC6-06	Property Acquisition- Maynley	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
PFC6-07	Security Enhancements (AIP 32)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
PFC6-08	Glycol Recovery Study	$134,689.00	$134,689.00	$0.00	$0.00	$0.00	$0.00	$0.00	$134,689.00
PFC6-09	Glycol Recovery Design	$1,457,092.00	$1,457,092.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,457,092.00
PFC6-10	SRE - High Speed Rotary Broom	$335,681.00	$335,681.00	$0.00	$0.00	$0.00	$0.00	$0.00	$335,681.00
PFC6-11	SRE - High Speed Rotary Broom	$395,000.00	$395,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$395,000.00
PFC6-12	SRE - Runway De-Icing Truck	$201,172.00	$201,172.00	$0.00	$0.00	$0.00	$0.00	$0.00	$201,172.00
PFC6-13	Aircraft Apron Rehabilitation	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
PFC6-14	Terminal Rehabilitation	$24,419,714.00	$20,027,304.59	$0.00	$0.00	$0.00	$65,298.67	$65,298.67	$20,092,603.26
PFC6-15	RNWY 14/32 Closure Converstion to Taxiway K	$36,558.00	$36,558.00	$0.00	$0.00	$0.00	$0.00	$0.00	$36,558.00
PFC7-01	De-Icing North Pad Construction	$92,431.00	$92,431.00	$0.00	$0.00	$0.00	$0.00	$0.00	$92,431.00
PFC7-02	De-Icing South Pad Construction	$262,807.00	$262,807.00	$0.00	$0.00	$0.00	$0.00	$0.00	$262,807.00
PFC7-03	De-Icing Treatment Plant	$897,792.00	$897,792.00	$0.00	$0.00	$0.00	$0.00	$0.00	$897,792.00
PFC7-04	Domestic Water Service	$568,116.00	$568,116.00	$0.00	$0.00	$0.00	$0.00	$0.00	$568,116.00
PFC7-05	CTX Design and Installation	$1,578,857.00	$1,037,324.17	$151,707.87	$151,707.87	$151,707.88	$86,409.21	$541,532.83	$1,578,857.00
PFC7-06	Landside Planning Effort Study	$94,856.00	$94,856.00	$0.00	$0.00	$0.00	$0.00	$0.00	$94,856.00
PFC7-07	Runway 5 and 23 Environmental Assessment Study	$41,474.00	$41,474.00	$0.00	$0.00	$0.00	$0.00	$0.00	$41,474.00
PFC7-08	Runway 5 and 23 Runway Safety Area Fix	$3,000,000.00	$2,780,938.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,780,938.00
PFC7-09	Wildlife Habitat Removal	$133,264.00	$133,264.00	$0.00	$0.00	$0.00	$0.00	$0.00	$133,264.00
PFC7-10	ARFF, Snow Removal Equipment Storage Facility Design	$30,391.00	$30,391.00	$0.00	$0.00	$0.00	$0.00	$0.00	$30,391.00
PFC7-11	ARFF, Snow Removal Equipment Storage Facility Constr.	$395,000.00	$395,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$395,000.00
PFC7-12	Aircraft Rescue and Firefighting Vehicle A	$34,659.00	$34,659.00	$0.00	$0.00	$0.00	$0.00	$0.00	$34,659.00
PFC7-13	Aircraft Rescue and Firefighting Vehicle B	$34,659.00	$34,659.00	$0.00	$0.00	$0.00	$0.00	$0.00	$34,659.00
PFC7-14	Federal Inspection Facility Study	$57,308.00	$57,308.00	$0.00	$0.00	$0.00	$0.00	$0.00	$57,308.00
PFC8-01	Security Checkpoint Expansion	$82,456.00	$82,456.00	$0.00	$0.00	$0.00	$0.00	$0.00	$82,456.00
PFC8-02	SRE: HS Runway Brooms, Front End Loader, Tractor	$517,890.00	$517,890.00	$0.00	$0.00	$0.00	$0.00	$0.00	$517,890.00
PFC8-03	Taxiway D, E, K Reconstruction	$404,412.00	$404,412.00	$0.00	$0.00	$0.00	$0.00	$0.00	$404,412.00
PFC8-04	West General Aviation Ramp Reconstruction	$46,996.00	$46,996.00	$0.00	$0.00	$0.00	$0.00	$0.00	$46,996.00
PFC8-05	Airport Master Plan Study	$113,527.00	$110,799.00	$0.00	$0.00	$0.00	$0.00	$0.00	$110,799.00
PFC8-06	Part 150 Noise Study	$77,076.00	$77,076.00	$0.00	$0.00	$0.00	$0.00	$0.00	$77,076.00
PFC8-07	General Aviation Customs & Border Patrol Facility	$490,161.00	$490,161.00	$0.00	$0.00	$0.00	$0.00	$0.00	$490,161.00
PFC8-08	South De-Icing Pad Expansion	$540,607.00	$540,607.00	$0.00	$0.00	$0.00	$0.00	$0.00	$540,607.00
PFC8-09	Airport Entrance Road Reconfiguration	$522,228.00	$522,228.00	$0.00	$0.00	$0.00	$0.00	$0.00	$522,228.00
PFC8-10	Ticket Wing Reconstruction	$627,398.00	$627,398.00	$0.00	$0.00	$0.00	$0.00	$0.00	$627,398.00
PFC8-11	Sand/Chemical Storage Building	$108,835.00	$104,460.00	$0.00	$0.00	$0.00	$0.00	$0.00	$104,460.00
PFC8-12	Enclosed Baggage Make Up Area	$1,500,000.00	$1,413,529.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,413,529.00
PFC8-13	Taxiway B Rehabilitation	$196,575.00	$132,953.00	$0.00	$0.00	$0.00	$0.00	$0.00	$132,953.00
PFC8-14	Preparation of PFC Application	$43,681.00	$43,681.00	$0.00	$0.00	$0.00	$0.00	$0.00	$43,681.00
PFC9-01	Terminal Modification - Gate Replacement	$29,062,117.00	$873,370.27	$563,991.66	$801,792.21	$129,204.67	$852,729.11	$2,347,717.65	$3,221,087.92
PFC9-02	Terminal Apron - Design and Construct	$928,544.00	$928,544.00	$0.00	$0.00	$0.00	$0.00	$0.00	$928,544.00
PFC9-03	Preparation of PFC Application	$75,000.00	$42,873.00	$0.00	$0.00	$0.00	$0.00	$0.00	$42,873.00
	Grand Totals	$70,296,202.00	$36,765,128.03	$715,699.53	$953,500.08	$280,912.55	$1,004,436.99	$2,954,549.15	$39,719,677.18

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards and the Schedule of Expenditures of the Passenger Facility Charges include the federal award activity of the Akron – Canton Regional Airport Authority (the Airport) under programs of the federal government for the year ended December 31, 2021. The information on the Schedule of Receipts and Expenditures of Federal Awards is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards* (Uniform Guidance). The information on the Schedule of Expenditures of Passenger Facility Charges is prepared in accordance with the requirements of the *Audit Requirements for Federal Awards*, and the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"). Because the Schedules present only a selected portion of the operations of the Airport, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Airport.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Receipts and Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Schedule of Expenditures of Passenger Facility Charges has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

Certain federal programs require that the Airport contribute non-federal funds (matching funds) to support the federally-funded programs. The Airport has met its matching requirements. The expenditures of non-federal funds are not included on these schedules.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, (the Airport) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated November 30, 2022, wherein we noted the Airport referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Airport.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport'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 Airport'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Entity's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Airport's response to the finding identified in our audit and described in the accompanying schedule of findings and / or corrective action plan. The Airport's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Airport'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 Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2022

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM
AND THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Akron-Canton Regional Airport Authority
Stark and Summit Counties
5400 Lauby Road Box 23
North Canton, Ohio 44720

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Akron-Canton Regional Airport Authority's (the Airport) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Akron-Canton Regional Airport Authority's major federal program for the year ended December 31, 2021. Akron-Canton Regional Airport Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Akron-Canton Regional Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2022

This page intentionally left blank.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
SUMMIT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Airport Improvement Program AL# 20.106
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Financial Reporting

FINDING NUMBER 2021-001

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following exceptions were noted indicating a deficiency in the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements.

- Capital Assets: Airport Improvement Projects-In-Progress was overstated $856,282, Capital Assets: Buildings was overstated $380,272, Accumulated Depreciation was overstated $38,027, Depreciation Operating Expense was overstated $38,027, Nonoperating Interest Expense was understated $1,236,554, and Net Investment in Capital Assets was overstated $1,198,527 due to the Airport improperly capitalizing interest as a result of not implementing GASB 89 - Accounting for Interest Cost Incurred Before the End of a Construction Period for fiscal year 2021 as required.
- Net Investment in Capital Assets was understated $981,603 and Unrestricted Net Position was overstated $981,603 due to the Airport improperly including the balance of the SIB Series A 2018 Premium in the calculation of Net Investment in Capital Assets.
- Net Investment in Capital Assets was overstated $320,756 and Unrestricted Net Position was understated $320,756 due to the Airport improperly including the balance of Net OPEB Asset in the calculation of Net Investment in Capital Assets.
- Depreciation Operating Expense was overstated $258,487 and Loss on Disposal of Capital Assets Nonoperating Expense was understated $258,487 due to the Airport improperly accounting for the remaining book value of three disposed assets.
- Debt Due Within One Year was understated $51,847 and Long-term Bonds Payable was overstated $51,847 due to the Airport improperly allocating short and long-term debt.

The financial statements were adjusted to reflect the proper amounts.

To help ensure the financial statements are presented properly, the Airport should review the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements, and update and/or clarify the procedures and expected practices to help ensure proper reporting.

Official's Response: Refer to Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

Finding For Recovery – Public Monies Illegally Expended

The Airport's Overtime policy (Personnel Policy and Procedure Manual Section 5.1) allows Airport employees to work overtime pay at one and one-half times the regular rate of pay for "time actually worked in excess of forty hours per week". The policy also states that for purposes of overtime "paid sick leave, paid vacation and lunch periods shall not be considered time worked."

Instead of calculating overtime pay in accordance with the Airport's policy, overtime pay was claimed and paid to the employees listed below without consideration of sick and/or vacation leave used during the same week.

This space intentionally left blank.

Employee	# of OT Hours Paid in Error	Total Value of OT Paid in Error
Adam Dietry	71	$ 781
Amanda Rinehart	6	51
Anthony Gentile	18	140
Atlee Haynam	12	122
Cody Freeland	18	135
Dakoda Rouse	10	80
Darryl Corrin Jr.	102.5	1,085
Evan Anderson	16	128
Herbert Beadle Jr.	3.5	41
Janet Jarvis	1.5	9
Jeffrey Rosette	73.5	924
Jonathan Greene	22	238
Kevin Everhart	23	196
Kyle Jacoby	13	128
Margaret Dardie	16	102
Matthew Hunt	52	634
Michelle McElroy	14	93
Michelle Stragan	18	130
Nathaniel Everhart	1	8
Ralph Hall	1	11
Randall Weitzel	4	44
Robert Gidley	42.5	281
Robert Robson Jr.	22	268
Ronald King	4.5	44
Sawa Gyparakis	17.5	140
Thomas Masucci	59.5	537
Thomas Puskar	16.5	154
Timothy Koshar	8.5	59
William Clause	85.5	991
Zackary Gantzler	2	16
Grand Total	754.5	$7,570

Under Ohio Law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Prepatory School*, 128 Ohio St.3d 50 (2010).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the above listed individuals and James Krum, Vice President of Finance and Administration, and their bonding company, SureTec Insurance Company, jointly and severally, in the amount of $7,570, and in favor of the Akron-Canton Regional Airport Authority.

Official's Response: The Akron–Canton Regional Airport Authority has a corrective action plan in place to remedy the overpayment of overtime compensation independent of any bond claim or legal action. The Akron – Canton Regional Airport Authority subsequently has approved a new employee handbook which should eliminate future issues from arising.

AKRON-CANTON
AIRPORT

www.akroncantonairport.com
info@akroncantonairport.com
O: 330.499.4059 F: 330.499.5176
5400 Lauby Road NW #9
North Canton, Ohio 44720-1598

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2021

Finding Number: 2021-001

Planned Corrective Action:

The Akron – Canton Regional Airport Authority (The Airport) presented all financial records consistent with previous approved audited financials. The Airport utilized an outside auditor to assist and calculate values associated with GASB 68 and GASB 75.

The Akron – Canton Regional Airport Authority did not implement GASB 89 – Accounting for Interest Cost Incurring Before the End of a Construction Period with its initial submission to the Hinkle System. The Airport implemented and incorporated GASB 89 into the financials contained within this final report.

The State Infrastructure Bank (SIB) Series A 2018 Premium was recorded consistent to previous audited financials. The Airport implemented and incorporated the reclassification of SIB Series A 2018 Premium of $981,603 into the financials contained within this final report.

The Airport's Net OPEB Liability became an Asset of $320,756 due to significant assumption changes with OPEB. The Airport consulted with its outside auditor as well as the Auditor of State's office to determine how to record this change. The Airport initially recorded the Net OPEB Asset in the Capital Asset section of its financial statements. It was later determined that this Asset needed to be recorded as a separate line item which is contained within this final report.

The Airport demolished an older portion of its terminal gate area during 2021. There were a few assets that were not fully depreciated disposed of at this time. The Airport initially recorded the $258,487 as depreciation expense for 2021. It was later determined to reclassify this value as Loss on Disposal of Capital Assets Nonoperating Expense. The Airport implemented and incorporated this reclassification into the financials contained within this final report.

The annual financial audits break out overall debt between how much is due within one year and how much is due beyond one year. The debt breakout contained within financials originally submitted to the Hinkle System showed $51,847 in additional long-term debt that should have been reported as Debt Due Within One Year. The Airport implemented and incorporated this reclassification into the financials contained within this final report.

Anticipated Completion Date: Completed

Responsible Contact Person: James Krum, Vice President of Finance & Administration

Airport Authority Board: Beth B. Boggins, Bernett L. Williams, Tina R. Floyd, Christopher J. Holding, John M. Williams, John B. Wirtz, Robert G. Konstand, Ward J. Timken.
President & CEO: Renato Camacho

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

AKRON CANTON REGIONAL AIRPORT AUTHORITY

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/22/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov