



GSP^{INTERNATIONAL} AIRPORT

ROGER MILLIKEN FIELD
SOUTH CAROLINA



2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 20, 2022

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GREENVILLE-SPARTANBURG AIRPORT DISTRICT
(A political subdivision of the State of South Carolina)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

Prepared by: District's Finance Department

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

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INTRODUCTORY SECTION

This section contains the following subsections:

Letter of Transmittal
Certificate of Achievement for Excellence in Financial Reporting
Airport Commission and Executive Staff
Organizational Chart





GREENVILLE-SPARTANBURG AIRPORT DISTRICT LETTER OF TRANSMITTAL

November 9, 2022

To the Commissioners of
Greenville-Spartanburg Airport District
Greer, South Carolina

The Annual Comprehensive Financial Report of the Greenville-Spartanburg Airport District (GSP, the District, or the Airport) for the fiscal year ended June 30, 2022 is hereby submitted. The Finance Department prepared this report. The responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, this report fairly presents and fully discloses the District's financial position, changes in financial position, and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information of the financial positions of the District.

Reporting Entity and Its Services

In March 1959, the General Assembly of the State of South Carolina executed an act to create the Greenville-Spartanburg Airport District, a political subdivision of the State of South Carolina. The corporate powers and duties of the District are to be exercised and performed by the Greenville-Spartanburg Airport Commission (the Commission, or the District's Commission).

The membership of the Commission consists of three (3) members who are residents of Spartanburg County and who are appointed upon the recommendation of a majority of the members of the Spartanburg County Legislative Delegation, AND three (3) members who are residents of Greenville County and who are appointed upon the recommendation of a majority of the members of the Greenville County Legislative Delegation. Thus, a total of six (6) members exist. Upon election by a majority of the Greenville or the Spartanburg Delegation, as the case may be, the secretary or acting secretary of the respective county delegation shall certify the approval to the Governor who shall Commission the nominee for a term of six (6) years.

The Commission supervises the process by which the financial statements are annually audited through an established Audit Committee. The Committee consists of three members of the Commission whose responsibilities include supervising the processes by which the annual financial statements are audited, thereby providing independent oversight. The Committee meets with both Airport staff and external auditors to insure objectivity and full disclosure of any concerns impacting financial reporting.

Economic Condition and Outlook

Situated in the upstate region of South Carolina, the Airport has experienced strong profitability levels. As such, management remains committed to providing increased levels of air service for the surrounding population, which consists of ten counties. The Upstate Metropolitan Statistical Area (MSA) consists of Abbeville, Anderson, Cherokee, Greenville, Greenwood, Laurens, Oconee, Pickens, Spartanburg and Union Counties. With a MSA population of over 1.5 million people, the Upstate is a hub of services and industries that include cutting edge technologies in automotive, aerospace, advanced materials, biosciences and engineering. The community enjoys a natural location for distribution and warehousing activities. Quality of life, labor force, culture, education, and medical facilities are considered key resources in the market's ability to sustain future growth.



GREENVILLE-SPARTANBURG AIRPORT DISTRICT LETTER OF TRANSMITTAL

The Airport's passenger traffic increased 85.3% to 2.2 million for fiscal year 2022 as compared to 1.2 million in fiscal year 2021. GSP is at approximately 80% of pre-COVID traffic levels and continuing to increase. Traffic increases impacts all airport concessions, such as parking, food/beverage, retail and rental car revenues. The cargo operation continues to experience growth - 15.74% in fiscal year 2022 with 194.5 million pounds as compared to 168.1 million pounds in fiscal year 2021. Cargo activity generates various types of revenue for the District including landing fees, cargo warehouse rentals, aircraft apron rentals, ground service equipment leasing, and ground handling fees.

The strength of the Upstate economy lies in its uniquely diversified industry structure. A key economic driver for the Upstate centers around the Inland Port's location in Greer, SC. The automotive industry serves a prominent economic role in the Upstate thanks to the BMW plant in Spartanburg County, which has generated a total annual economic impact of approximately \$16.6 billion for the state through 30,000 jobs since it started production in 1995. Today, for every single direct job created at BMW, three other support jobs are created elsewhere.

The region is not dependent upon any single industry to continue increasing economic output and attracting top talent. Adidas, also located in Spartanburg County, controls a distribution facility that ships 65 million units of apparel each year representing 80% of North America's output and 20% of the company's global output. The Upstate is home to one-third of the over 400 aviation and aerospace companies located in South Carolina. In 2017, these companies generated an economic impact of over \$6 billion for the Upstate. In keeping with the aviation industry and directly related to GSP, the airport completed a \$128 million terminal renovation project in 2017 that had a total economic impact of \$164 million during construction.

The latest economic impact analysis for GSP released in late September 2018 revealed that the Airport continues to deliver a major punch to the local economy. When comparing the most recent analysis with the analysis completed in October 2009, the results were impressive. The number of jobs associated with GSP in 2009 was 3,692. In 2018, that number had quadrupled to 14,817 representing a 301.3% increase. Income related to GSP rose from \$112.0 million in 2009 to \$649.0 million in 2018 for an increase of 479.4%. The overall Economic Output was eight times greater than 2009's \$377.5 million to \$2.9 billion in 2018.

A total of 8,658 jobs are directly supported by GSP, another 3,086 indirectly and 3,073 induced. For every direct job, the Airport supports another 0.7 jobs locally. GSP adds a total of \$648.9 million dollars of income locally; \$364.3 million directly, another \$162.2 million indirectly and \$122.4 million induced. For every dollar of output produced by activities generated from the Greenville-Spartanburg International Airport, another \$0.43 of output is generated in the Greenville-Spartanburg area economy.

Long-Term Financial Planning

The District prepares an annual operating and capital improvement budget which is submitted for approval to the District's Commission. A five-year capital improvement program, including modifications and reasons thereof, is also prepared.

The District maintains excess operating cash on hand to guard against significant economic downturns. In an effort to provide revenue diversification, the District continues to pursue various options in real estate development and sources of non-aviation revenue.

On September 10, 2018, the District's Commission approved establishment of a \$16 million, 20-year term note with a fixed finance rate of 4.78% for ten years. The \$15,687,840 term note was established with TD Bank on November 6, 2018 with a maturity date of November 1, 2028.

On August 21, 2020, the District's Commission approved a \$35 million, 20-year term note with a fixed finance rate of 1.61% for ten years. The \$35 million term note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The purpose of the new term loan is to refinance the existing term loan and reimburse the District for the cost of the Surface Parking Project and the local share of the Aircraft Rescue and Firefighting Station Construction Project at a reduced interest rate.

PFC Collection

On March 18, 2020, the U.S. Department of Transportation's Federal Aviation Administration (FAA) acknowledged the District's notice of intent to impose and use a passenger facility charge (PFC). The FAA acknowledged that GSP could begin collecting a PFC at a \$4.50 PFC level on May 1, 2020 and complete collections on July 1, 2023. Furthermore, the FAA acknowledged that GSP could collect a total of \$16,505,571 in PFC revenue and use \$16,238,071 in PFC revenue for noted projects.

Accounting Systems

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are safeguarded. In addition, as a recipient of federal financial assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with laws and regulations of the Airport Improvement Program (AIP). On January 1, 2020, the District went live with and replaced the old accounting system, Sage, with a new accounting system, Sage Intacct. The new system is robust and will integrate with other operational solutions that the District is currently considering for use in the future.

The objectives of internal controls are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data is recorded, maintained and fairly disclosed in reports. The current internal controls provide the District with a solid base of reliable financial records from which financial statements are prepared. These accounting controls provide reasonable assurance that accounting data is reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system on internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal controls should not exceed the benefits derived, and that the evaluation of those factors requires judgement by management.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. The District is a local government proprietary fund. Therefore, the activities are reported in conformity with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board (GASB).

Budgetary Control

The District's annual budget is a financial planning tool outlining the estimated revenues and expenses for the District. Prior to July 1 of each year, the District prepares and submits its budget to the Commission for the ensuing fiscal year. Budgetary control and evaluation are affected by comparing actual unaudited and annual results with budget. The District conducts periodic reviews to ensure compliance with the provisions of the annual operating budget approved by the Commission. Operating statements comparing actual financial results to budgets are reported periodically by the Chief Financial Officer and distributed to executive staff, Commission, and key partners. Certain assumptions are made in determining the annual budget and subsequent results could differ substantially from those projected. In keeping with the requirements of a proprietary fund, budgetary comparisons have not been included in the financial section of this report.



Independent Audit

The financial statements for fiscal year 2022 were audited by FORVIS, LLP (formerly BKD, LLP), and the opinion resulting from their examination is included in this Annual Comprehensive Financial Report. Their audit was made 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*. Each year, the independent certified public accountants meet with the Audit Committee of the Commission to review the results of the audit.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparations of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The ACFR is judged by an impartial panel to determine if it meets the high standards of the program, and if it demonstrates a constructive “spirit of full disclosure” to clearly communicate its financial story and to motivate users to read the ACFR.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program’s requirements and will be submitting it to GFOA for consideration.

Acknowledgements

The publication of this annual financial report is the culmination of a year of hard work by the District’s Finance Department. We appreciate the commitment, efforts, and perseverance of the Finance Department staff in the preparation of this report.

We also thank the Management Team and the Commission for their leadership and support in planning and conducting the financial operations of the District in a responsible and progressive manner. Lastly, we appreciate FORVIS, LLP’s dedication to completing the audit in a timely manner.

Respectfully submitted,

David N. Edwards, Jr.
President/CEO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Greenville-Spartanburg Airport District
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO



GREENVILLE-SPARTANBURG AIRPORT COMMISSION

Minor Shaw
Chair

Hank Ramella
Vice Chair

Leland Burch
Commissioner

Valerie Miller
Commissioner

Doug Smith
Commissioner

Jay Beeson
Commissioner

EXECUTIVE STAFF

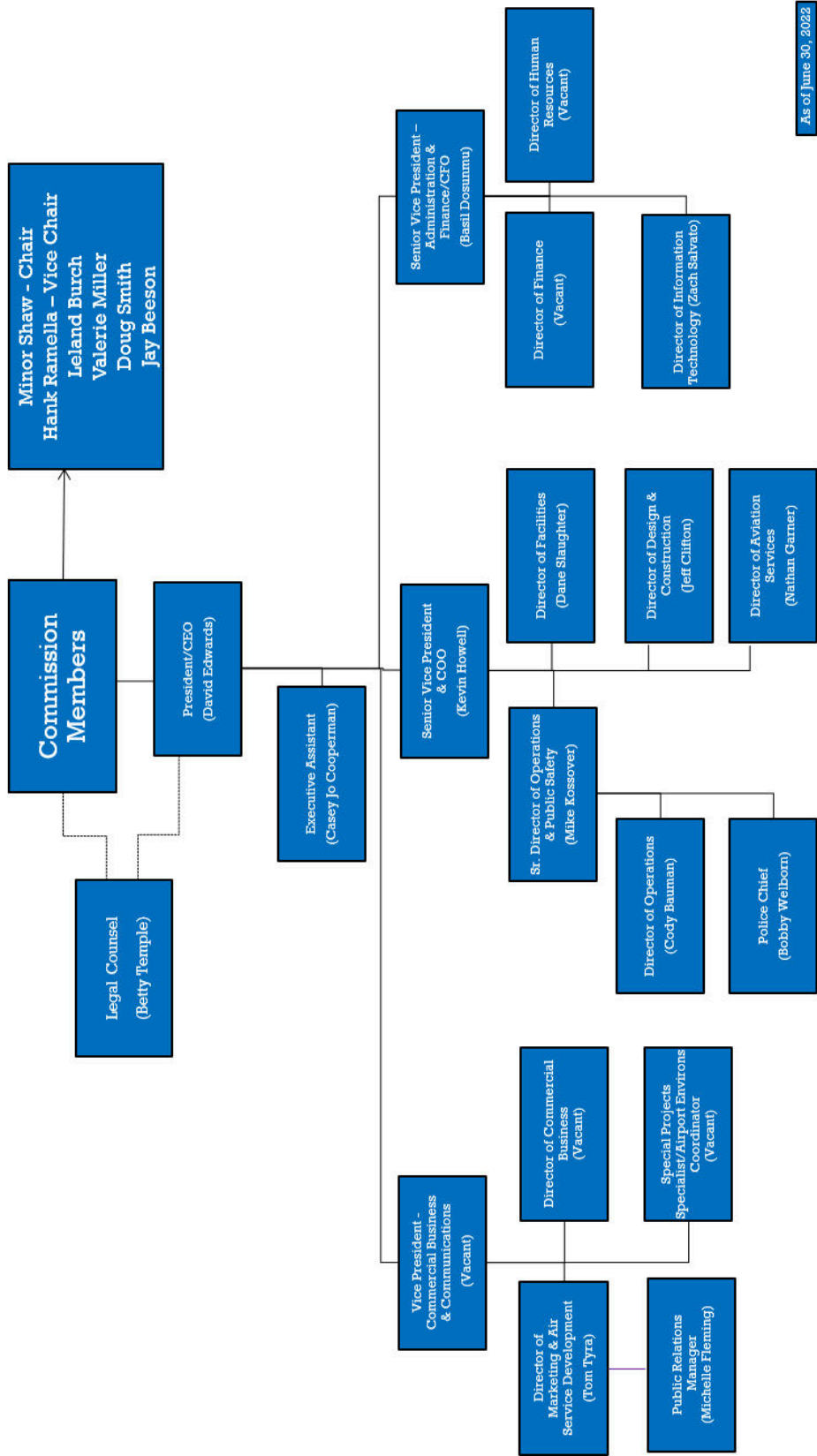
David N. Edwards, Jr.
President/Chief Executive Officer (CEO)

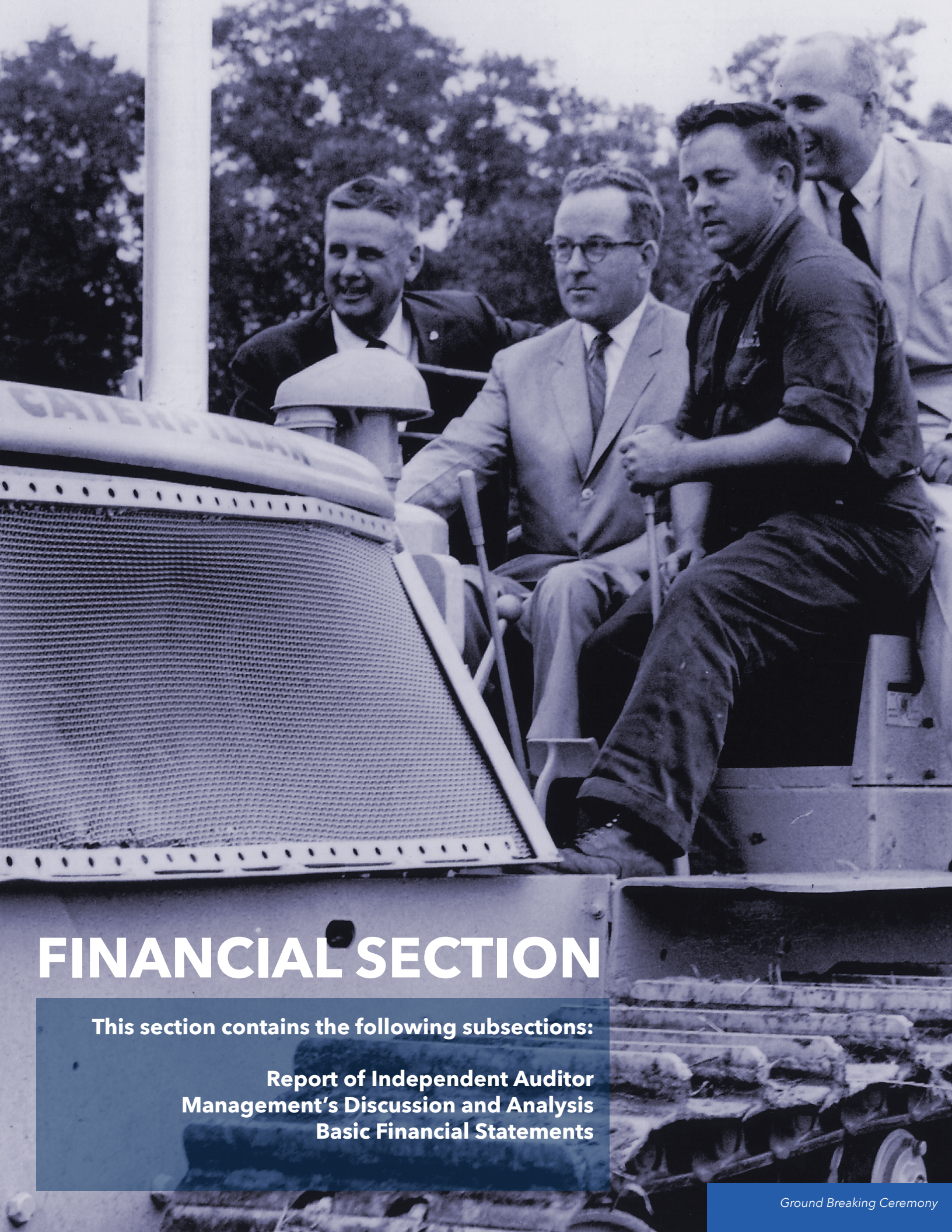
Kevin Howell
Senior Vice President/Chief Operating Officer (COO)

Vacant
Senior Vice President - Administration and Finance/Chief Financial Officer (CFO)

Vacant
Vice President - Commercial Business and Communications

GREENVILLE-SPARTANBURG AIRPORT DISTRICT ORGANIZATIONAL CHART (COMMISSION MEMBERS AND MANAGEMENT TEAM)





FINANCIAL SECTION

This section contains the following subsections:

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

Independent Auditor's Report

To the Commissioners of
Greenville-Spartanburg Airport District
Greer, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Greenville-Spartanburg Airport District (Airport), a political subdivision of the State of South Carolina, as of and for the year ended June 30, 2022, 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 Airport as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in 2022, the Airport adopted new accounting guidance for accounting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for 12 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 opinion. 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 Airport's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The schedule of federal expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2022, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

FORVIS,LLP

Indianapolis, Indiana
November 9, 2022

The following Management Discussion and Analysis (MD&A) of the Airport's activities and financial performance for the fiscal year ended June 30, 2022, is presented in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — Management's Discussion and Analysis — For State and Local Governments*. The intent of the MD&A is to provide the reader with an introduction and overview to the financial statement package.

Following this MD&A are the basic financial statements of the Airport together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this section also presents certain required supplementary information.

Overview of Annual Financial Report

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Airport's financial condition and performance. Summary financial statement data, key financial, and operational indicators used in the Airport's budgeting and other management tools were used for this analysis.

The Airport's financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position presents the financial position of the Airport on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at the end of a year.

The statement of revenues, expenses, and changes in net position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Airport's recovery of its costs. The Airport's rates and charges are based on a cost recovery methodology provided in its airline use agreements. The primary objective of the rates and charges model is to determine the costs not covered by non-airline sources and to annually compute landing fees and terminal rents which will provide sufficient funding to reimburse the Airport.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

The notes to the financial statements provide disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Airport's accounting policies, significant account balances, activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The financial statements were prepared by the Airport's staff from the detailed books and records of the Airport.

JUNE 30, 2022 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF NET POSITION, JUNE 30, 2022 AND 2021

	June 30			
	2022	2021 ⁽¹⁾	Change	% Change
Assets:				
Cash and investments	\$ 90,229,850	\$ 72,144,118	\$ 18,085,732	25.1%
Receivables	47,301,298	8,519,494	38,781,804	455.2%
Capital and lease assets - net	316,914,020	299,598,776	17,315,244	5.8%
Other	962,438	596,023	366,415	61.5%
Total assets	455,407,606	380,858,411	74,549,195	19.6%
Deferred outflows of resources	5,100,004	6,822,099	(1,722,095)	-25.2%
Liabilities:				
Current liabilities	15,873,866	11,122,841	4,751,025	42.7%
Long-term liabilities	54,067,427	59,164,522	(5,097,095)	-8.6%
Total liabilities	69,941,293	70,287,363	(346,070)	-0.5%
Deferred inflows of resources	42,090,502	894,698	41,195,804	4604.4%
Net position:				
Net investment in capital assets	278,701,138	262,010,047	16,691,091	6.4%
Restricted	21,349,019	13,729,426	7,619,593	55.5%
Unrestricted	48,425,658	40,758,976	7,666,682	18.8%
Total net position	\$ 348,475,815	\$ 316,498,449	\$ 31,977,366	10.1%

(1) The balances for the year ended June 30, 2021 have not been restated to reflect the adoption of GASB Statement No. 87, *Leases*. See Note 3 for additional information regarding adoption of this standard.

- As can be seen from the above, the Airport has a very strong Statement of Net Position. Liquidity continues to be very strong. Total net position is \$348,475,815, of which \$48,425,658 is unrestricted.
- Total assets at June 30, 2022 were \$455,407,606, which included \$61,531,323 in cash, receivables, and other, \$38,421,183 in investments, \$39,839,084 in lease receivables/assets as required to be recorded by GASB Statement No. 87 implemented this fiscal year and \$315,616,016 in net capital assets. Total liabilities were \$69,941,293, which included \$18,779,257 in the unfunded portion of the pension plans and \$31,937,500 in term notes payable. The difference between the \$455,407,606 in assets plus the \$5,100,004 in deferred outflows of resources and the \$69,941,293 in liabilities plus the \$42,090,502 in deferred inflows of resources is categorized as Net Position (\$348,475,815). Included in deferred inflows of resources is \$37,536,744 in deferred lease revenues as required to be recorded by GASB Statement No. 87 implemented this fiscal year. Net Position is composed of \$278,701,138 of net investment in capital assets, \$21,349,019 restricted for capital projects, and \$48,425,658 unrestricted.

JUNE 30, 2022 (UNAUDITED)

FINANCIAL HIGHLIGHTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, JUNE 30, 2022 AND 2021

	June 30			
	2022	2021 ⁽¹⁾	Change	% Change
Operating revenues:				
Landing and other airside fees	\$ 3,343,073	\$ 2,520,963	\$ 822,110	32.6%
Space and ground rental fees	13,871,360	10,356,976	3,514,384	33.9%
Concessions revenue	19,784,954	9,303,434	10,481,520	112.7%
Expense reimbursements	2,009,257	1,846,617	162,640	8.8%
Other revenue	6,148,930	4,755,354	1,393,576	29.3%
Net profit on fuel sales	6,316,821	4,741,137	1,575,684	33.2%
Net profit on food and beverage	2,753,600	894,654	1,858,946	207.8%
Total operating revenues	54,227,995	34,419,135	19,808,860	57.6%
Operating expenses:				
Direct operating expenses	31,093,433	26,005,569	5,087,864	19.6%
Pension	2,521,009	4,612,922	(2,091,913)	-45.3%
Depreciation	15,129,992	13,462,619	1,667,373	12.4%
Total operating expenses	48,744,434	44,081,110	4,663,324	10.6%
Operating income	5,483,561	(9,661,975)	15,145,536	-156.8%
Nonoperating income:				
Contract and passenger facility charges	5,809,960	3,176,053	2,633,907	82.9%
Federal non-capital grants	11,123,326	20,111,293	(8,987,967)	-44.7%
Other nonoperating income (expense)	(701,642)	465,298	(1,166,940)	-250.8%
Total nonoperating income	16,231,644	23,752,644	(7,521,000)	-31.7%
Income before capital contributions	21,715,205	14,090,669	7,624,536	54.1%
Capital contributions	10,262,161	7,270,663	2,991,498	41.1%
Change in net position	31,977,366	21,361,332	10,616,034	49.7%
Net position - beginning of year	316,498,449	295,137,117	21,361,332	7.2%
Net position - end of year	\$ 348,475,815	\$ 316,498,449	\$ 31,977,366	10.1%

(1) The balances for the year ended June 30, 2021 have not been restated to reflect the adoption of GASB Statement No. 87, *Leases*. See Note 3 for additional information regarding adoption of this standard.



JUNE 30, 2022 (UNAUDITED)

- Total operating revenues were \$54,227,995 for the fiscal year ended June 30, 2022, up 57.6% from \$34,419,135 as compared to the prior year. Passenger-centric revenues such as parking and rental car concessions have increased due to partial recovery from the COVID-19 pandemic.
- Total direct operating expenses were \$31,093,433 for the fiscal year ended June 30, 2022, up 19.6% from \$26,005,569 as compared to the prior year. Often, an increase in revenues requires an increase in expenses. Such is the case with administrative fees related to credit card expenses (parking) and independent contractor expenses (cargo operations). In addition, personnel costs increased with the removal of the hiring freeze put in place during the pandemic and compensation survey adjustments made.
- Pension expense was \$2,521,009 for the fiscal year ended June 30, 2022, down 45.3% from \$4,612,922 as compared to the prior year. This is due to a decrease in the actuarially determined Pension Plan's expenses pushed down by the state to each participating entity.
- Depreciation expense was \$15,129,992 for the fiscal year ended June 30, 2022, as compared to \$13,462,619 in the fiscal year ended June 30, 2021.
- Total non-operating income was \$16,231,644 for the fiscal year ended June 30, 2022, down 31.7% from \$23,752,644 as compared to the prior year. This decrease is due to the on-time CARES Act and CRRSA Act grant revenues from fiscal year 2021.
- The combined result of increased operating revenues, increased operating expenses and decreased non-operating income, as discussed above, resulted in income before capital contributions of \$21,715,205 and \$14,090,669 for the fiscal years ended June 30, 2022 and 2021, respectively.
- Total capital contributions were \$10,262,161 for the fiscal year ended June 30, 2022, up 41.1% from \$7,270,663 as compared to the prior year.
- In summary, operating revenues increased as a result of the COVID-19 pandemic recovery, resulting in an overall improvement in the financial position of the Airport with a \$32.0 million increase in total net position.

Description of Significant Capital Expenditures

The District completed a surface parking expansion program that includes a new 1,500 stall parking lot for public economy parking with a new access road and roundabout on Aviation Parkway. The program also included a new approximately 600 stall employee parking lot and TNC staging area on GSP Drive.

Further detailed information on the District's capital assets can be found in Note 9 to the financial statements.

Description of Significant Debt Expenditures

On May 9, 2016, the District's Commission approved the opening of a \$25 million revolving Line of Credit (LOC) with TD Bank for special project use. Interest is variable at 1 Month LIBOR plus 75 basis points. At June 30, 2022, the 1 Month LIBOR was 1.06%. Adding 0.75% gives us an interest rate of 1.81%. The term of the LOC was renewed for a period of 24 months and shall mature on September 7, 2023.

On August 21, 2020, the District's Commission approved a \$35 million, 20-year term note with a fixed finance rate of 1.61% for ten years. The \$35 million term note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The purpose of the new term loan was to refinance the previous term loan and reimburse the District for the cost of the Surface Parking Project and the local share of the Aircraft Rescue and Firefighting Station Construction Project at a reduced interest rate.

Changes in Credit Ratings and Debt Limitations

The Airport District has an A2 credit rating with a stable outlook from Moody's. There were no changes in our credit ratings or associated debt limitations in either the fiscal years ended June 30, 2022 or June 30, 2021.

All foreseeable normal operational capital projects within a ten-year horizon are projected to be funded internally with Airport District reserve funds and/or with FAA grant funds. For new "special projects" outside the normal operational scope, management has the option to utilize the aforementioned LOC for funding purposes. As special projects are completed, they can be "termed out," at management's discretion.

Greenville-Spartanburg International Airport (GSP) Outlook

Although profitability levels have been and continue to be very strong, management is focused on and remains committed to providing increased levels of air service for the surrounding population base. We continue to work diligently towards attracting greater levels of air service for the Upstate region and are ever mindful about posturing ourselves from a competitive standpoint in the face of increased competition from Charlotte and Atlanta.

An Airport Master Plan was completed in late 2018. On November 19, 2018, the Commission adopted the final Greenville-Spartanburg International Airport Master Plan presented by McFarland Johnson. The Master Plan addresses, among other things, the following variables which will impact the Airport's future:

- The financial and operational impact of the air cargo route to Germany via Senator, and associated airfield changes (e.g., Taxiway L extension) to support cargo growth
- Projected availability of continued federal funding
- Our assumption of FBO and fueling responsibilities
- A thorough airport pavement evaluation
- Sustainability issues
- An analysis of GSP360 for land use compatibility, highest and best use, and linkage to GSP International Industrial Logistics Park
- Future development of aeronautical and non-aeronautical land owned by the District in concert with our GSP360 plan
- The proposed PRT system and associated impacts on parking, roadway circulation, curbside and other
- Expansion of rental car parking capacities
- Staged parking lot expansions for customers
- Potential capacity constraints for ground transportation along the terminal curb-front and options to reduce congestion along public roadways
- Long-term development planning for future needs of key airport tenants
- Optimal location for new Air Traffic Control tower
- Updated airport layout plan (ALP) to meet FAA SOPs
- Updated GIS database to meet FAA requirements to include infrastructure capacities, environmental information, and areas for future development



JUNE 30, 2022 (UNAUDITED)

GSP COVID-19 Updates

In December 2019, a novel strain of Coronavirus (COVID-19) was reported to have surfaced in China. The ensuing pandemic saw multiple strains affect the global economy resulting in Federal government implemented enhanced screenings, quarantine requirements and travel restrictions along with State issued government-imposed shutdowns of businesses. The current year's financial results reflect improving conditions for both revenues and expenses. The District believes a full recovery to pre-COVID-19 passenger levels will occur in fiscal year 2024.

At Greenville-Spartanburg International Airport, the health and safety of our passengers is our top priority. We are committed, as always, to providing a safe and clean airport. GSP is working closely with our employees, tenants and airline partners to proactively reduce the risk of COVID-19.

We have continued the increased cleaning and sanitation efforts put in place during the COVID-19 pandemic, on top of our normal 24/7 cleaning procedures. We have also retained the additional hand sanitizers throughout the terminal as well as extensive signage reminding travelers how to avoid the spread of germs.

Flight Information and Face Masks

According to the Centers for Disease Control (CDC), most viruses and other germs do not spread easily in airplanes and the risk of infection while traveling by air is low because of how air circulates and is filtered on airplanes. While the Federal Government has removed mask mandates, travelers are encouraged to check with their airline for the latest information and flight status updates, especially related to international flights.

CRRSA Act Grant Offer

On April 2, 2021, the United States of America acting through the U.S. Department of Transportation Federal Aviation Administration (FAA) approved the District's Grant Application for Airport Coronavirus Response Grant Program (ACRGP). The Grant is provided in accordance with the *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSA Act) to provide eligible Sponsors with funding for costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

The purpose of the Grant is to prevent, prepare for, and respond to the coronavirus. Funds provided under the Grant Agreement must only be used for purposes directly related to the airport. Such purposes can include the reimbursement of an airport's operational and maintenance expenses or debt service payments in accordance with the limitations prescribed in the Act. The maximum obligation of the United States payable to GSP is \$4,883,070.

In addition, on April 6, 2021, the United States of America acting through the U.S. Department of Transportation Federal Aviation Administration (FAA) approved the District's amendment to Grant Application for Airport Coronavirus Response Grant Program (ACRGP). The amended Grant provided relief from rent and minimum annual guarantees (MAG) obligations to each eligible airport concession at the Airport in accordance with the *Coronavirus Response and Relief Appropriations Act* (CRRSA Act). The maximum obligation of the United States payable to GSP is \$273,431.

Airport Rescue Grant Offer

On August 13, 2021, the United States of America acting through the U.S. Department of Transportation Federal Aviation Administration (FAA) approved the District's Grant Application for Airport Rescue Grant Application. The Grant is provided in accordance with the American Rescue Plan Act (ARP Act) to provide eligible Sponsors with funding for costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

The purpose of the Grant is to prevent, prepare for, and respond to the coronavirus pandemic. Funds provided under the Grant Agreement must only be used for purposes directly related to the airport. Such purposes can include the reimbursement of an airport's operational and maintenance expenses or debt service payments in accordance with the limitations prescribed in the Act. The maximum obligation of the United States payable to GSP is \$11,121,484.

In addition, on December 2, 2021, the United States of America acting through the U.S. Department of Transportation Federal Aviation Administration (FAA) approved the District's Grant Application for Concessions Rent Relief Airport Rescue Grant Agreement. This Grant provides relief from rent and minimum annual guarantees (MAG) obligations to each eligible airport concession at the Airport in accordance with the American Rescue Plan Act (ARP Act). The maximum obligation of the United States payable to GSP is \$1,093,725.

Financial Standpoint

As passenger traffic levels have increased to approximately 80% of pre-COVID 19 levels, most normal activities have resumed. The District continues to remain on track for a four-year recovery to pre-COVID-19 operational levels.

Management is committed to providing our customers with the highest level of service possible in these challenging and exciting times and look forward to the future.

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances and to demonstrate the Airport's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Finance Department, 2000 GSP Drive, Suite 1, Greer, South Carolina 29651-9202.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

ASSETS

Current assets:

Unrestricted assets

Cash and cash equivalents	\$ 31,157,298
Receivables, net of Allowance for Doubtful Accounts of \$149,500	8,062,568
Inventories and prepaid insurance	962,438
Investments	12,122,630
Leases receivable	3,955,235
Total unrestricted current assets	<u>56,260,169</u>

Restricted assets:

Cash and cash equivalents	20,651,369
Receivables	697,650
Total restricted current assets	<u>21,349,019</u>

Total current assets	<u>77,609,188</u>
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Noncurrent assets:

Investments	26,298,553
Leases receivable	34,585,845
Lease assets - net	1,298,004
Capital assets - net	<u>315,616,016</u>

Total noncurrent assets	<u>377,798,418</u>
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Total Assets	<u>455,407,606</u>
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Deferred Outflows of Resources:

Deferred Outflow Related to State Pension Plans	4,184,048
Deferred Outflow Related to OPEB	915,956
Total Deferred Outflows	<u>5,100,004</u>

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

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

LIABILITIES

Current liabilities:

Payable from unrestricted assets:

Accounts payable	\$ 11,740,013
Accrued employee benefits	2,027,642
Accrued interest payable	44,407
Lease liabilities - current portion	311,804
Term notes payable - current portion	1,750,000

Total payable from unrestricted assets 15,873,866

Total current liabilities 15,873,866

Noncurrent Liabilities:

Long-term employee benefits	1,577,815
Net pension liability	18,779,257
Total OPEB liability	2,513,682
Lease liabilities - net of current portion	1,009,173
Term notes payable - net of current portion	30,187,500

Total noncurrent liabilities 54,067,427

Total Liabilities 69,941,293

Deferred Inflows of Resources:

Deferred Inflow - State Pension Plans	3,668,826
Deferred Inflow - OPEB	884,932
Deferred Inflow - Leases	37,536,744

Total Deferred Inflows 42,090,502

NET POSITION

Net investment in capital assets 278,701,138

Restricted:

Contract facility charges	13,695,650
Passenger facility charges	7,653,369

Total restricted 21,349,019

Unrestricted 48,425,658

Total Net Position \$ 348,475,815

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

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN NET POSITION

YEAR ENDED JUNE 30, 2022

Operating revenues:	
Airside	\$ 3,343,073
Space and ground rental	13,871,360
Concessions	19,784,954
Other	8,158,187
Operating revenues before fuel sales	45,157,574
Gross profit on fuel sales:	
Fuel sales	9,739,426
Cost of goods sold	(3,422,605)
Fuel sales - net	6,316,821
Gross profit on food and beverage:	
Food and beverage	3,904,405
Cost of goods sold	(1,150,805)
Food and beverage - net	2,753,600
Total operating revenues	54,227,995
Operating expenses before pension and depreciation expense:	
Airfield	289,937
Terminal building	3,412,630
Administrative	7,905,310
Maintenance and operations	4,840,247
Fire and crash department	1,266,491
Security	1,416,361
Other direct expenses	11,962,457
Total operating expenses before pension and depreciation expense	31,093,433
Operating income before pension and depreciation expense	23,134,562
Pension expense	2,521,009
Depreciation and amortization	15,129,992
Operating income	5,483,561
Nonoperating revenues (expenses):	
Contract facility charges	1,457,404
Passenger facility charges	4,352,556
Interest earned on accounts and leases	1,359,059
Change in fair value of investments	(1,581,294)
Insurance proceeds and legal settlement	68,176
Interest expense and other financing costs	(547,583)
Federal non-capital grants	11,123,326
Nonoperating revenues - net	16,231,644
Income before capital contributions	21,715,205
Capital contributions and grants	10,262,161
Increase in net position	31,977,366
Net position:	
Beginning of year	316,498,449
End of year	\$ 348,475,815

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

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:

Cash received from providing services	\$ 54,209,543
Cash payments to suppliers for goods and services	(18,301,101)
Cash payments to employees for services	(18,607,772)
Net cash provided by operating activities	<u>17,300,670</u>

Cash flows from noncapital and related financing activities:

Federal non-capital grants	<u>11,128,426</u>
Net cash provided by capital and related financing activities	<u>11,128,426</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(27,019,599)
Principal payments on note payable	(1,750,000)
Interest payment on note payable	(536,658)
Principal payments received on leases receivable	3,727,905
Interest payments received on leases receivable	594,845
Principal payments on lease liability	(285,221)
Interest payments on lease liability	(11,650)
Proceeds from insurance settlement	68,176
Capital contributions	9,698,992
Contract facility charges	1,404,088
Passenger facility charges	4,649,414
Net cash used in capital and related financing activities	<u>(9,459,708)</u>

Cash flows from investing activities:

Maturities of investment securities	15,456,000
Purchases of investment securities	(16,270,276)
Investment income	697,638
Net cash used in investing activities	<u>(116,638)</u>

Net increase in cash and cash equivalents 18,852,750

Cash and cash equivalents, beginning of year 32,955,917

Cash and cash equivalents, end of year \$ 51,808,667

Reconciliation to balance sheet

Unrestricted cash and cash equivalents	\$ 31,157,298
Restricted cash and cash equivalents	<u>20,651,369</u>
Cash and cash equivalents, end of year	<u>\$ 51,808,667</u>

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

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

Noncash Transactions from NonCapital and Related Financing Activities

CARES Act grant revenue included in accounts receivable

\$ 273,431

Noncash Transactions from Capital and Related Financing Activities

Capital asset acquisitions included in accounts payable

\$ 7,720,668

Reconciliation of operating loss to net cash

provided by operating activities:

Operating income

\$ 5,483,561

Adjustments to reconcile operating income to net cash

provided by operating activities:

Depreciation and amortization

15,129,992

Change in assets and liabilities:

Receivables

140,379

Inventory and prepaid insurance

(366,415)

Deferred outflows related to state pension plans

1,587,297

Deferred outflows related to OPEB

134,798

Accounts payable

(26,308)

Net pension liability

(4,407,426)

Total OPEB liability

(212,934)

Accrued employee benefits

910,907

Deferred inflows related to state pension plans

3,267,003

Deferred inflows related to OPEB

392,057

Deferred inflows related to leases

(4,732,241)

Total adjustments

11,817,109

Net cash provided by operating activities

\$ 17,300,670

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



JUNE 30, 2022

Note 1—Organization

The Greenville-Spartanburg Airport District (the “Airport”) is a political subdivision of the State of South Carolina (the “State”). Commissioners of the Airport are recommended for appointment by a majority of the Greenville and Spartanburg County Delegations and appointed by the governor of the State.

Note 2—Summary of Significant Accounting and Reporting Policies

Basis of Presentation – The Airport is accounted for as a single-purpose, business-type entity since its operations are financed and operated in a manner similar to a private business. The Airport’s financial statements are presented on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when earned or when services are provided, and expenses are recognized when the related obligations are incurred.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflow of resources, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the accompanying statement of cash flows, the Airport considers all cash on hand and highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2022 consist of money market mutual funds.

Inventories – Inventories are stated at cost.

Investments – The Airport’s investments, consisting of U.S. treasury bills and U.S. government securities at June 30, 2022, are carried at fair value, based on quoted market prices, and changes in the fair value of investments are reported as nonoperating revenues in the statement of revenues, expenses and changes in net position. All investments are carried in the Airport’s name and held by the dealer/safekeeping agent. The investments mature at various dates from less than a year up to five years. At maturity, the U.S. treasury bills and U.S. government securities are either reinvested or included in current assets until used for construction in progress.

Lease Assets – Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

JUNE 30, 2022

Capital Assets – Capital assets are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 40 years. The Airport's threshold for capitalization is \$10,000. Repair and maintenance costs are expensed when incurred. Changes in accumulated depreciation during 2022 are as follows:

	Capital Assets Acquired by FAA Grants	Other Capital Assets	Total Capital Assets
Accumulated depreciation - June 30, 2021	\$ 91,427,422	\$ 93,876,885	\$ 185,304,307
Fiscal year 2022 depreciation	4,488,443	10,333,355	14,821,798
Less - 2022 capital asset write-offs	-	(524,442)	(524,442)
Accumulated depreciation - June 30, 2022	<u>\$ 95,915,865</u>	<u>\$ 103,685,798</u>	<u>\$ 199,601,663</u>

Deferred Outflows and Inflows of Resources – The Airport reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources and the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in separate sections of its statement of net position.

Contract Facility Charge – Contract Facility Charges (“CFCs”) are levied by the Airport pursuant to a Memorandum of Understanding signed with the rental car companies serving the Airport. This rate is adjusted from time to time as deemed necessary by airport management in order to cover the related annual expenses. The CFC rate was \$4.00 per contract rental day as of June 30, 2022. Up to the date of beneficial occupancy, April 1, 2003, the amounts received were recorded as non-operating revenues when earned and were to be used for construction of the rental car facility. Subsequent to April 1, 2003, CFCs received are recorded as space and ground rental operating revenue.

For the year ended June 30, 2022, the Airport has recorded CFCs related to space and ground rental as operating revenue of \$1,842,817 in addition to non-operating revenue consisting of the following:

Reimbursement of Airport-funded construction costs	\$ 329,460
CFC surplus (deficit)	1,127,944
	<u>\$ 1,457,404</u>

Additionally, as of June 30, 2022, the Airport had received but not yet spent CFCs totaling \$13,695,650, which are reported as restricted until expended in the accompanying statement of net position. The assets are included in cash and cash equivalents at June 30, 2022.



JUNE 30, 2022

Passenger Facility Charges (PFCs) – On March 18, 2020, the U.S. Department of Transportation’s Federal Aviation Administration (FAA) acknowledged the District’s notice of intent to impose and use a PFC. The airlines began collecting PFCs on qualifying enplaning passengers at the Airport for the current maximum rate of \$4.50 beginning May 1, 2020 through July 1, 2023. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system; fund noise mitigation at the airport; or furnish opportunities for enhanced competition between or among air carriers. Regulations have been promulgated by the Federal Aviation Administration (“FAA”) that enhance the eligibility of PFC usage to include, among other things, capital projects and debt service payments. Both the fee imposed and the intended uses must be reviewed and approved by the FAA. The Airport was approved to expend their PFC collections on various capital projects. As of June 30, 2022, the Airport has not expended any funds on these projects.

PFC revenues are classified as nonoperating in the statement of revenues, expenses and changes in net position and are restricted for the uses approved by the FAA.

Net Position – Net position is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law. When both restricted and unrestricted net position are available for use, it is the Airport’s policy to use restricted net position first, and then unrestricted net position as they are needed.

Capital Contributions and Grants – Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (“AIP”) of the FAA or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition and facility development and rehabilitation are reported in the accompanying statements of revenues, expenses, and changes in net position, after non-operating revenues (expenses), as capital contributions and grants.

Federal Non-Capital Grants – The United States of America acting through the FAA released additional funding under the American Rescue Plan Act (ARPA) to all eligible airports. The ARPA funding is to be used for reimbursement of an airport’s operational and maintenance expenses starting January 20, 2020 or debt service payments starting March 11, 2021. The total approved grant is for \$11,121,484, which the Airport has used for allowable costs.

As of June 30, 2022, the Airport recognized \$11,123,326 in the accompanying statement of revenues, expenses, and changes in net position, within nonoperating revenues, as federal non-capital grants.

Operating Revenues and Expenses – All of the Airport’s activities relate to the operation of the Airport except for the investment of residual cash and investments and financing-related activities. Accordingly, all of the Airport’s revenues and expenses, except for investment income, financing-related costs and charges, and insurance proceeds, are classified as operating in the accompanying statement of revenues, expenses, and changes in net position.

Revenue Recognition – Airside and space and ground rental revenues consist of amounts received under Airline Operating Agreements with the major airlines serving the Airport, certain fixed fees for nonscheduled airlines and private users of the Airport, and certain fixed fees for other ancillary services provided. The Airline Operating Agreements stipulate that landing fees and space rental revenues will be based on maintenance and operations costs, as defined in the agreements. Airside and space and ground rental fees are recognized as revenue when the related services are provided and facilities utilized.



JUNE 30, 2022

Concessions and other revenues consist primarily of rental car, parking, and other ancillary services revenue. Such revenue is generally based on a fixed percentage of tenant revenues subject to certain minimum monthly fees or a fixed fee schedule. Concessions and other revenue are recognized when earned.

Other Direct Expenses – Other direct expenses consist primarily of the upkeep of the cargo, rental car, and parking lot facilities. Other direct expenses are recognized when incurred.

Post-Employment Benefits (OPEB) – During the 2010 fiscal year, the Airport implemented a new personnel policy in which it will pay for a portion of an eligible retiree's health insurance premiums between ages 60 to 65 who also have at least 10 years of service with the Airport. The liability related to this benefit is included in the long-term employee benefits in the statement of net position.

Compensated Absences – Employees earn vacation leave at a rate of 80 to 160 hours per year dependent upon length of service. Unused vacation hours can be carried over from year to year up to a maximum of 480 hours and are payable upon termination, resignation, retirement, or death in accordance with the Airport's personnel policy. The noncurrent portion of the accrued liability related to vacation hours is included in long-term employee benefits and the current portion in accrued liabilities in the statement of net position.

Regular full-time employees accumulate sick leave at the rate of 96 hours per year and can accrue up to 720 hours. All employees who properly resign, are laid off, or otherwise separated from the Airport in good standing are entitled to be paid 33% of any unused sick balance not to exceed 240 hours. An accrual for sick leave has been made as of June 30, 2022 and has been categorized into a short-term and long-term portion. Sick leave can be taken for medical appointments, personal illness or illness of a member of the immediate family. Sick leave may be used in the determination of length of service for retirement benefit purposes. The noncurrent portion of the accrued liability related to sick leave is included in long-term employee benefits and the current portion in accrued liabilities in the statement of net position.

New Pronouncements – The GASB has issued several statements which have not yet been implemented by the Airport. The statements which may have a significant future impact on the Airport are as follows:

GASB has issued: GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus*; GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*; and GASB Statement No. 101, *Compensated Absences*. The Airport intends to adopt these GASB Statements, as applicable, on their respective effective dates.

Note 3—Adoption of GASB Statement No. 87, Leases

During 2022, the Airport implemented GASB Statement No. 87, *Leases* (GASB No. 87). This statement requires governments to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 87 did not result in any change to beginning net position. As of July 1, 2021, the standard did result in the increase of lease receivable and deferred inflows for leases of \$42,268,985 and the increase of lease asset and liability of \$1,606,198. Leases have been recognized and measured using the facts and circumstances that existed at the beginning of the year. Refer to Notes 7, 9 and 14 for the additional disclosures on these balances. In addition, disclosures were added relating to regulated leases that are exempt from being included in the measurement of the above balances. Refer to Note 8 for the additional disclosure.

Note 4—Cash, Cash Equivalents and Investment Securities

As of June 30, 2022, the Airport had the following cash deposits and investments:

Deposits	\$ 51,808,667
Investments	38,421,183
	<u>\$ 90,229,850</u>

Deposits – All the cash deposits of the Airport are in a single financial institution. The carrying amount of cash deposits is separately reported as cash in the accompanying statement of net position. The Airport's cash deposits are insured up to \$250,000 at financial institutions insured by the FDIC. Any cash deposits in excess of the \$250,000 FDIC limit are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits are collateralized with securities held by the Airport. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Investments – In accordance with the South Carolina State Statutes and the Airport's approved investment policy, the following investments are permitted:

1. Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts;
2. Money market funds that invest in U.S. Government-backed securities;
3. U.S. Treasury Obligations to include U.S. Treasury bills and notes, or any other obligation or security issued by or backed by the full faith and credit of the U.S. Treasury;
4. Federal Agency Obligations including bonds, notes, debentures, or other obligations or securities issued by, or backed by, full faith and credit of any U.S. Government agency or sponsored enterprise.
5. South Carolina Local Government Investment Pool ("SCLGIP") limited to 25% of investment portfolio.

The maturity ranges and credit ratings for the Airport's investment securities at June 30, 2022 follow:

	2022			
	Fair Value	Maturities (in Years)		Moody's
		Less than 1	1 - 5	Credit Rating
U.S. government bonds	\$ 3,586,728	\$ 3,586,728	\$ -	Aaa
U.S. treasury securities	34,834,455	8,535,902	26,298,553	Aaa
Total investments	\$ 38,421,183	\$ 12,122,630	\$ 26,298,553	



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Interest Rate Risk: The risk that changes in interest rates of debt securities will adversely affect the value of an investment. The Airport generally limits a portion of its investment portfolio to maturities of less than 12 months. Also, the Airport's purchases of securities are laddered with staggered maturity dates.

Credit Risk: The risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Airport has no written policy regarding credit risk. However, a conservative investment strategy is maintained. Currently, most investments are in low risk securities or deposits, which fall within the Federal Deposit Insurance Corporation limits.

Custodial Credit Risk: The risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Since a large majority of the Airport's investments are with the U.S. Treasury Department in the form of T-bills, or other securities backed by the U.S. Treasury, management views custodial credit risk as minimal, and consequently, has no written policy on this particular form of risk.

Concentration of Credit Risk: The Airport places no limit on the amount that the Airport may invest in any one issuer, with the exception of the 25% limitation on the SCLGIP. All of the Airport's investments are in, or backed by, U.S. Treasury bills and the SCLGIP.

Foreign Currency Risk: The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Airport's investment policy prohibits investment in foreign securities.

Note 5—Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements – The following table presents the fair value measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022:

	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)
June 30, 2022			
Investments at fair value			
U.S. government bonds	\$ 3,586,728	\$ -	\$ 3,586,728
U.S. treasury securities	34,834,455	34,834,455	-
Total investments by fair value	<u>\$ 38,421,183</u>	<u>\$ 34,834,455</u>	<u>\$ 3,586,728</u>

Investments – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 6—Receivables

Receivables are recorded at their gross value when earned and are reduced, if applicable, by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts, when applicable, is based on collection history, aviation industry trends, and current information regarding the creditworthiness of the tenants and others doing business with the Airport. As of June 30, 2022, there was an allowance for uncollectible accounts of \$149,500.

Receivables (including restricted assets) consisted of the following as of June 30, 2022:

Trade	\$ 3,178,572
Contract and passenger facility charges	697,650
FAA and other grants	4,157,025
Interest and other	726,971
	<u>\$ 8,760,218</u>



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Note 7—Leases Receivable

The Airport leases a portion of its property to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2023 through 2064. Payments for most of the leases increase annually either by 3% or the Consumer Price Index (Index), with the latter based upon the Index at lease commencement. In addition, the Airport has some leases with rental car and retail companies that have a portion of their rent based on the higher of a percentage of receipts for the year or a minimum annual guarantee. The Airport bases the payments for these leases on the required minimum annual guarantee. The Airport leases certain property to third parties that conduct operations at airport owned facilities where lease payments are based on usage. The usage-based payments are not included in the measurement of the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the year ended June 30, 2022, was \$5,402,580, which includes both lease revenue and interest. The Airport recognized lease revenue of \$3,149,445, for the year ended June 30, 2022, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Airport's leases that are included in the measurement of the lease receivable as of June 30, 2022:

	Principal	Interest	Total
2023	\$ 3,955,235	\$ 625,115	\$ 4,580,350
2024	1,359,744	586,725	1,946,469
2025	1,315,168	571,070	1,886,238
2026	1,283,251	555,337	1,838,588
2027	1,015,134	539,955	1,555,089
2028 - 2032	4,432,712	2,500,965	6,933,677
2033 - 2037	5,981,029	2,056,751	8,037,780
2038 - 2042	7,910,123	1,423,810	9,333,933
2043 - 2047	7,496,337	697,368	8,193,705
2048 - 2052	2,678,720	154,538	2,833,258
2053 - 2057	300,441	88,293	388,734
2058 - 2062	450,448	53,629	504,077
2063 - 2064	362,738	9,035	371,773
Total	<u>\$ 38,541,080</u>	<u>\$ 9,862,591</u>	<u>\$ 48,403,671</u>

Note 8—Regulated Leases

The Airport leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB No. 87, and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2038. Payments for most of the leases increase annually either by 3% or the Consumer Price Index (Index), with the latter based upon the Index at lease commencement. The Airport leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. Most of these leases allow the lessee the exclusive use of the premises, however, aircraft and vehicles may traverse the space and the Airport has the right to grant third party privileges at their discretion. The portion of buildings and improvements that are exclusive as of June 30, 2022 are \$8,853,791. In addition, 3 of the 6 hangars that the Airport has of June 30, 2022 are for the exclusive use of the lessee.

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The Airport did not recognize any lease revenue for the year ended June 30, 2022, for variable payments not previously included in the future minimum payments.

The following is a schedule by year of expected future minimum payments to be received under the Airport's regulated leases as of June 30, 2022:

	Total Future Payments
2023	\$ 2,474,700
2024	2,454,304
2025	1,442,504
2026	1,209,001
2027	1,207,245
2028 - 2032	2,297,093
2033 - 2037	2,572,406
2038	95,748
Total	<u><u>\$ 13,753,001</u></u>

Certain aeronautical leases with the major air carriers are not included in the regulated leases disclosures as each of these agreements are considered short-term leases and exempt from disclosure. The Airport or air carriers both have the option to terminate at any point as long as 60 days' notice is given. The air carriers are also given exclusive use of certain spaces, including such areas as ticket counter office space, operations space, apron storage space, etc. to conduct their operations, which are defined in the agreements.



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Note 9—Capital and Lease Assets

Capital assets activity for the year ended June 30, 2022 is as follows:

	June 30, 2021	Transfers/ Additions	Transfers/ Disposals	June 30, 2022
Capital assets not being depreciated:				
Land	\$ 39,593,155	\$ 572,966	\$ -	\$ 40,166,121
Construction-in-process	32,040,584	30,839,077	(28,730,313)	34,149,348
Total capital assets not being depreciated	71,633,739	31,412,043	(28,730,313)	74,315,469
Capital assets being depreciated:				
Buildings and improvements	288,570,263	24,654,245	(524,442)	312,700,066
Equipment	13,622,686	1,212,671	-	14,835,357
Roadways	11,395,961	2,245,221	-	13,641,182
Runways	99,680,434	45,171	-	99,725,605
Total capital assets being depreciated	413,269,344	28,157,308	(524,442)	440,902,210
Less accumulated depreciation				
Buildings and equipment	(106,188,654)	(10,364,287)	524,442	(116,028,499)
Equipment	(7,681,838)	(786,757)	-	(8,468,595)
Roadways	(9,713,359)	(443,942)	-	(10,157,301)
Runways	(61,720,456)	(3,226,812)	-	(64,947,268)
Total accumulated depreciation	(185,304,307)	(14,821,798)	524,442	(199,601,663)
Net capital assets	\$ 299,598,776	\$ 44,747,553	\$ (28,730,313)	\$ 315,616,016

Lease assets activity for the year ended June 30, 2022 is as follows:

	June 30, 2021 ⁽¹⁾	Transfers/ Additions	Transfers/ Disposals	June 30, 2022
Lease assets:				
Buildings and improvements	\$ 155,523	\$ -	\$ -	\$ 155,523
Equipment	1,450,675	-	-	1,450,675
Total lease assets	1,606,198	-	-	1,606,198
Less accumulated amortization				
Buildings and improvements	-	(263,759)	-	(263,759)
Equipment	-	(44,435)	-	(44,435)
Total accumulated amortization	-	(308,194)	-	(308,194)
Net lease assets	\$ 1,606,198	\$ (308,194)	\$ -	\$ 1,298,004

⁽¹⁾ The balances have been restated to reflect the adoption of GASB No. 87.

Note 10—Changes in Long-Term Liabilities

Long-term obligation activity for the Airport for the year ended June 30, 2022, is as follows:

	Beginning Balance ⁽¹⁾	Additions	Reductions	Ending Balance	Current Portion
Term note payable	\$ 33,687,500	\$ -	\$ (1,750,000)	\$ 31,937,500	\$ 1,750,000
Lease liability	1,606,198	-	(285,221)	1,320,977	311,804
Net pension liability	23,186,683	-	(4,407,426)	18,779,257	-
Total OPEB liability	2,726,616	363,126	(576,060)	2,513,682	-
Employee benefits	2,694,550	2,291,734	(1,380,827)	3,605,457	2,027,642
Total long-term liabilities	<u>\$ 63,901,547</u>	<u>\$ 2,654,860</u>	<u>\$ (8,399,534)</u>	<u>\$ 58,156,873</u>	<u>\$ 4,089,446</u>

⁽¹⁾ The balances have been restated to reflect the adoption of GASB No. 87.

Note 11—Term Note Payable

On August 21, 2020, the District's Commission approved a \$35 million, 20-year term note with a fixed finance rate of 1.61% for ten years. The \$35 million term note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The purpose of the term loan was to refinance the previous term loan and reimburse the District for the cost of the Surface Parking Project and the local share of the Aircraft Rescue and Firefighting Station Construction Project at a reduced interest rate.

The future maturities of the remaining note payable are as follows:

	Principal	Interest	Total
2023	\$ 1,750,000	\$ 508,265	\$ 2,258,265
2024	1,750,000	480,997	2,230,997
2025	1,750,000	451,133	2,201,133
2026	1,750,000	422,566	2,172,566
2027	1,750,000	394,000	2,144,000
2028-2031	23,187,500	1,083,994	24,271,494
Total	<u>\$ 31,937,500</u>	<u>\$ 3,340,955</u>	<u>\$ 35,278,455</u>

Note 12—Line of Credit

The Airport entered into a \$25,000,000 revolving line of credit agreement with a maturity date of September 7, 2021. On September 8, 2021, the Airport renewed its revolving line of credit with a maturity date of September 7, 2023. The line of credit bears an interest rate of 1-month LIBOR rate plus 0.75%. At June 30, 2022, the applicable interest rate was 1.81%. For the year ended June 30, 2022, there was no balance outstanding against this line of credit.

Note 13—Capital Contributions and Grants

For the year ended June 30, 2022, the Airport recognized capital contributions primarily from the FAA totaling \$10,262,161 in its statement of revenues, expenses, and changes in net position.

Note 14—Lease Liability

The Airport leases equipment and building space, the terms of which expire in 2025 and 2027, respectively. The payments are fixed throughout the life of the lease, and there are no variable payments associated with the lease agreements.

The following is a schedule by year of payments under the leases as of June 30, 2022:

	Principal	Interest	Total
2023	\$ 311,804	\$ 11,092	\$ 322,896
2024	314,779	8,116	322,895
2025	291,531	5,216	296,747
2026	267,937	2,663	270,600
2027	134,926	374	135,300
Total	<u>\$ 1,320,977</u>	<u>\$ 27,461</u>	<u>\$ 1,348,438</u>

Note 15—Commitments and Contingencies

The Airport is party to various legal actions in the ordinary course of business from time to time. Management believes that such matters will not have a material adverse effect on the Airport's financial condition, results of operations or cash flows.

The Airport's ability to derive net revenues from operations depends upon various factors, many of which are not within the control of the Airport. The primary sources of net revenues are parking revenues and the Airline Operating Agreements between the Airport and the airlines. The Airline Operating Agreements provide for the landing fees, terminal rentals, and ramp fees to be charged to the airlines. Should an airline default under the terms of the Airline Operating Agreement, management believes it can take certain actions to mitigate any potential adverse impact.

At any point in time, the U.S. economy, excess airline capacity, and industry-wide competition through airfare discounting may create significant constraints on the operations of the airlines. Due to these factors, the financial results of the Airport are largely dependent upon conditions in the national economy and the U.S. airline industry.

Additionally, the Airport receives significant financial assistance from federal governmental agencies in the form of grants and other awards. The disbursement of resources received under such programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Management believes the Airport is in compliance with all such terms and conditions.

Note 16—Pension Plan and Post-retirement Benefits

Pension Plan – All Airport permanent employees are members of either the South Carolina Retirement System (“SCRS”) or the Police Officers Retirement System (“PORS”), collectively the “Plans”, cost-sharing multiple-employer defined benefit pension plans administered by the Retirement Division of the State Budget and Control Board. The Plans offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. The Plans’ provisions are established under Title 9 of the South Carolina Code of Laws.

South Carolina Retirement System

Plan Description – All employees of the Airport are required to participate in and contribute to the SCRS plan as a condition of employment unless they are eligible for the PORS plan. Employee members of the system with an effective membership prior to July 1, 2012 are Class Two members. Any employees with a membership date on or after July 1, 2012 are Class Three members.

Benefits – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member’s age and the member’s creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employees who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions – Plan members were required to contribute 9.0% of their annual covered salary to the Plan for June 30, 2022. The Airport was required to contribute 16.41% for June 30, 2022, plus an additional 0.15% for employer incidental death benefits. For the year ended June 30, 2022, the Airport’s contributions to the plan were \$1,684,783 and equaled the required contributions for those years.

Pension Liability – The SCRS plan reported a liability of \$15,832,889 for its proportionate share of the net pension liability as of June 30, 2022. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2020 rolled forward to the measurement date. The Airport’s proportion of the net pension liability was based on its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of June 30, 2021, the Airport’s proportion was 0.073161% of the total SCRS pension liability.



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Police Officers Retirement System

Plan Description – The PORS plan provides retirement and other benefits to police officers and firefighters employed by the Airport. Employee members of the system with an effective membership prior to July 1, 2012 are Class Two members. Any employees with a membership date on or after July 1, 2012 are Class Three members.

Benefits – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions – Plan members were required to contribute 9.75% of their annual covered salary to the Plan for June 30, 2022. The Airport was required to contribute 18.84% for June 30, 2022, plus an additional 0.20% for both employer incidental death benefits and the accidental death program. For the year ended June 30, 2022, the Airport's contributions to the plan were \$341,501 and equaled the required contributions for that year.

Pension Liability – The PORS plan reported a liability of \$2,946,368 for its proportionate share of the net pension liability as of June 30, 2022. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2020 rolled forward to the measure date. The Airport's proportion of the net pension liability was based on its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of June 30, 2021, the Airport's proportion was 0.114515% of the total PORS pension liability.

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The Airport reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS retirement plans from the following sources as of June 30:

	South Carolina Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 269,695	\$ 21,369
Changes of assumptions	866,640	-
Net difference between projected and actual earnings on pension plan investments	-	2,299,936
Changes in proportion and differences between the Airport's contributions and proportionate share of contributions	678,456	471,240
Contributions subsequent to the measurement date	1,684,783	-
	<u>\$ 3,499,574</u>	<u>\$ 2,792,545</u>

	Police Officers Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 100,233	\$ 9,176
Changes of assumptions	210,149	-
Net difference between projected and actual earnings on pension plan investments	-	660,562
Changes in proportion and differences between the Airport's contributions and proportionate share of contributions	32,591	206,543
Contributions subsequent to the measurement date	341,501	-
	<u>\$ 684,474</u>	<u>\$ 876,281</u>

The Airport's contributions of \$2,026,284 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 31, 2023. Total pension expense for the year ended June 30, 2022 was \$2,229,450 for SCRS and \$291,559 for PORS, which is recognized as pension expense of \$2,521,009 on the statement of revenues, expenses and changes in net position.

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The following schedule reflects the Airport's proportion of the amortization of the net balance of remaining deferred outflows / (inflows) of resources of the SCRS and PORS at the measurement date of June 30, 2022:

	SCRS	PORS
2023	\$ 385,339	\$ (75,591)
2024	(215,593)	(96,443)
2025	(286,894)	(119,731)
2026	(860,606)	(241,543)
Total	<u>\$ (977,754)</u>	<u>\$ (533,308)</u>

Actuarial Assumptions – Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2019.

The most recent annual actuarial valuation reports adopted by the Public Employee Benefit Authority Board and the SC Budget and Control Board are as of July 1, 2020. The total pension liability in that report was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return*	7.00%	7.00%
Projected salary increases (varies by service)*	3.0% to 11.0%	3.5% to 10.5%
Benefit adjustment (annually)	Lesser of 1% or \$500	Lesser of 1% or \$500

*includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC) was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2020.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market assumptions. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. For actuarial purposes for the measurement year ended June 30, 2021, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component. The target asset allocations and the long-term expected real rates of return are as follows:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Public Equity	46%	6.87%	3.16%
Private Equity	9%	9.68%	0.87%
Real Estate	9%	6.01%	0.54%
Infrastructure	3%	5.08%	0.15%
Bonds	26%	0.27%	0.07%
Private Debt	7%	5.47%	0.39%
Total Expected Return	100%		5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% in the June 30, 2021 valuations. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the fiduciary net position of SCRS and PORS was projected to be available to make all projected future benefit 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.



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Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability the Airport calculated using the discount rate of 7.00%, as well as what the Airport's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

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

	June 30, 2022		
	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase Rate (8.00%)
SCRS	\$ 20,739,114	\$ 15,832,889	\$ 11,754,802
PORS	\$ 4,724,802	\$ 2,946,368	\$ 1,858,176

Plan Fiduciary Net Position and Required Supplementary Information – The SCRS issues a publicly available Annual Comprehensive Financial Report that includes the fiduciary net position and required supplementary information for the SCRS. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. The report is publicly available on the South Carolina Public Employee Benefit Authority's ("PEBA") Retirement Benefits' website at <http://www.retirement.sc.gov>, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, South Carolina 29211-1960.

Note 17—Postemployment Benefits Other Than Pensions (OPEB)

Medical Postemployment Benefits – The Airport provides medical and dental insurance benefits to its eligible retirees who have reached the age of 60 and have 10 years of service, through a single-employer defined benefit other postemployment benefit plan (the "OPEB Plan"). The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. The Airport pays 80% of the retiree's medical and dental insurance premiums until the retiree reaches the age of 65, where the benefits are terminated, and the employee pays the other 20%. Spouses are permitted to participate in the plan. GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits ("OPEB") on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The total OPEB liability is recognized on the Statement of Net Position over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue separate financial statements.

The employees covered by the benefit terms at the measurement date for the fiscal year is:

	2022
Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	190
Total participants covered by the OPEB Plan	197

The Airport's total OPEB Plan liability at June 30, 2022 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

The total OPEB Plan liability for each year was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement:

	2022
Discount Rate	2.06%
Inflation Rate	7.00%
Salary Increases	3.00%
Healthcare Cost Trend Rates:	7.00%
2022 – 0.00% for 2022, 7.00% for 2023 and decreasing each year to an ultimate rate of 4.24% in 2088.	

For June 30, 2022, the discount rates were based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2021. Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021 for June 30, 2022.

The changes in the OPEB liability are as follows for the year ended June 30:

	2022
OPEB Plan liability, beginning of year	\$ 2,726,616
Changes for the year:	
Service cost	317,942
Interest	45,184
Change of assumptions or other inputs	(490,375)
Benefit payments	(85,685)
OPEB Plan liability, end of year	<u>\$ 2,513,682</u>

Sensitivity of Total OPEB Liability to Change in Discount Rate and Healthcare Trend Rate – The total OPEB Plan's liability of the Airport has been calculated using a discount rate of 2.06% at June 30, 2022. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	Discount Rate		
	1.00% Decrease	2.06% (2022)	1.00% Increase
2022	\$ 3,390,706	\$ 2,513,682	\$ 2,782,567

JUNE 30, 2022

The total OPEB Plan's liability of the Airport has been calculated using a health care cost trend rate of 0.00% at June 30, 2022. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	Healthcare Cost Trend Rate		
	1.00% Decrease	0.00% (2022)	1.00% Increase
2022	\$ 2,632,420	\$ 2,513,682	\$ 3,617,144

For the year ended June 30, 2022, the Airport recognized OPEB Plan expense of \$374,544. At June 30, 2022, the Airport reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,326	\$ 421,779
Changes of assumptions	890,630	463,153
	<u>\$ 915,956</u>	<u>\$ 884,932</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense for the year ended June 30, as follows:

2023	\$ 11,418
2024	11,418
2025	7,527
2026	7,278
2027	7,278
Thereafter	(13,895)
	<u>\$ 31,024</u>

401(k) and 457 Plans – The Airport matches 100% of employee contributions to the South Carolina Deferred Compensation Program ("SCDCP") 401(k) and/or 457 plans up to 5% of the employee's gross income.

The Airport's SCDCP matching contribution in the fiscal year ended June 30, 2022 was \$198,135.

Note 18—Restricted Assets

The Airport's PFC and CFC receipts and receivables not yet spent at year-end are classified as restricted assets on the statement of net position because their use is limited by applicable concession agreements. The Cash and Receivables accounts represent passenger facility charges or contract facility charges that have either been received or earned by the Airport but not yet spent as of June 30, 2022. The CFC funds are to be used by the Airport to fund additional improvements to the rental car facilities at the Airport, while the PFC funds are to be used for various eligible airport related capital projects.

Note 19—Risk Management

The Airport, like other business enterprises, is exposed to various risks including, but not limited to, fire, accident, natural disasters, fraud, torts, error and omissions, environmental incidents, cybercrime, damage/destruction of assets, as well as other causal factors. The following policies are carried by the Airport to protect against such risks and are competitively bid out each year with an insurance brokerage firm:

- General liability, war risk, non-owned aircraft liability, and hangarkeepers,
- Commercial Crime (Dishonesty, Forgery, Computer and Funds Transfer Fraud),
- Public officials liability (Directors & Officers ("D&O") liability, Professional Liability Insurance),
- Workers Compensation,
- Auto comprehensive/collision/liability,
- Building and personal property,
- Environmental mitigation,
- Police professional liability, and
- Inland marine.

The Airport has not significantly reduced any of its insurance coverage from the prior year, and settled claims have not exceeded the Airport's insurance coverage in the past five years.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

This section contains the following subsections:

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

Schedule of the Airport's Pension Contributions

Schedule of Changes in the Airport's Total OPEB Liability and Related Ratios



GREENVILLE-SPARTANBURG AIRPORT DISTRICT

SCHEDULE OF THE AIRPORT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY



JUNE 30, 2022

Fiscal Year	Airport's Proportion of Net Pension Liability	Airport's Proportionate Share of the Net Pension Liability	Airport's Covered Payroll	Airport's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
South Carolina Retirement System					
2022	0.073161%	\$ 15,832,889	\$ 10,032,874	157.8%	60.7%
2021	0.074761%	19,102,682	8,347,053	228.9%	50.7%
2020	0.076472%	17,461,652	8,050,283	216.9%	54.4%
2019	0.064788%	14,516,992	6,725,393	215.9%	54.1%
2018	0.053344%	12,008,619	5,380,687	223.2%	53.3%
2017	0.043232%	9,234,291	4,186,489	220.6%	52.9%
2016	0.042039%	7,972,910	3,941,685	202.3%	57.0%
2015	0.041344%	7,118,066	3,775,657	188.5%	59.9%
2014	0.041344%	7,415,639	3,624,914	204.6%	56.4%
Police Officers Retirement System					
2022	0.114515%	\$ 2,946,368	\$ 1,793,598	164.3%	70.4%
2021	0.123153%	4,084,001	1,881,027	217.1%	58.8%
2020	0.124391%	3,564,963	1,818,106	196.1%	62.7%
2019	0.120492%	3,414,195	1,688,587	202.2%	61.7%
2018	0.118090%	3,235,174	1,614,548	200.4%	60.9%
2017	0.117490%	2,980,003	1,519,914	196.1%	60.4%
2016	0.113490%	2,473,521	1,427,286	173.3%	64.6%
2015	0.114560%	2,193,168	1,367,390	160.4%	67.5%
2014	0.114560%	2,374,797	1,233,905	192.5%	63.0%

The amounts presented for each fiscal year were determined as of June 30th of the prior year (measurement date). Required supplementary information is presented for those years for which information is available.

Notes to Schedule

Benefit changes: None

Changes in assumptions: The following changes occurred for: 1) The actuarial experience study was updated for the period ended June 30, 2019, 2) Investment return decreased from 7.25% to 7.00%, and 3) Base mortality assumptions were updated to the 2020 Public Retirees of South Carolina Mortality table. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT SCHEDULE OF THE AIRPORT'S PENSION CONTRIBUTIONS

JUNE 30, 2022

Fiscal Year	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Airport's Covered Payroll	Contributions as a Percentage of Covered Payroll
South Carolina Retirement System					
2022	\$ 1,684,783	\$ 1,684,783	\$ -	\$ 10,032,874	16.8%
2021	1,278,916	1,278,916	-	8,270,134	15.5%
2020	1,298,801	1,298,801	-	8,347,053	15.6%
2019	1,172,121	1,172,121	-	8,050,283	14.6%
2018	901,877	901,877	-	6,725,393	13.4%
2017	613,609	613,609	-	5,380,687	11.4%
2016	513,824	513,824	-	4,186,489	12.3%
2015	429,644	429,644	-	3,941,685	10.9%
2014	400,220	400,220	-	3,775,657	10.6%
Police Officers Retirement System					
2022	\$ 341,501	\$ 341,501	\$ -	\$ 1,793,598	19.0%
2021	314,035	314,035	-	1,740,771	18.0%
2020	339,337	339,337	-	1,881,027	18.0%
2019	309,805	309,805	-	1,818,106	17.0%
2018	267,445	267,445	-	1,688,587	15.8%
2017	223,454	223,454	-	1,614,548	13.8%
2016	213,415	213,415	-	1,519,914	14.0%
2015	188,544	188,544	-	1,427,286	13.2%
2014	172,838	172,838	-	1,367,390	12.6%

The amounts presented for each fiscal year were determined as of June 30th of the current year. Required supplementary information is presented for those years for which information is available.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

SCHEDULE OF CHANGES IN THE AIRPORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS



JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
Service cost	\$ 317,942	\$ 372,214	\$ 56,084	\$ 53,875	\$ 53,468	\$ 22,432
Interest	45,184	49,748	30,156	26,915	19,455	10,488
Changes of benefit terms	-	1,035,506	-	-	-	-
Differences between expected and actual experience	-	(514,071)	-	62,205	19,464	259,178
Change of assumptions or other inputs	(490,375)	1,085,516	34,579	(41,256)	-	64,269
Benefit payments	(85,685)	(83,906)	(51,661)	(49,626)	(39,619)	(21,994)
Net change in total OPEB Plan liability	(212,934)	1,945,007	69,158	52,113	52,768	334,373
Total OPEB Plan liability, beginning of year	2,726,616	781,609	712,451	660,338	607,570	273,197
Total OPEB Plan liability, end of year	<u>\$ 2,513,682</u>	<u>\$ 2,726,616</u>	<u>\$ 781,609</u>	<u>\$ 712,451</u>	<u>\$ 660,338</u>	<u>\$ 607,570</u>
Covered-employee payroll	\$ 9,527,289	\$ 9,340,480	\$ 5,618,353	\$ 5,508,190	\$ 6,908,993	\$ 6,773,523
Total OPEB Plan liability as a % of covered payroll	26.38%	29.19%	13.91%	12.93%	9.56%	8.97%

The amounts presented for each fiscal year were determined as of December 31st (measurement date) of the prior year. Required supplementary information is presented for those years for which information is available.

Notes to Schedule

Changes of Benefit Terms – None

Changes of Assumptions – The following changes occurred for assumptions: 1) The discount rate changed from 2.12% in 2021 to 2.06% in 2022, 2) Payroll growth rate increased from 2.00% to 3.00%, 3) Trend rates in subsequent years were based on the Getzen Model as updated through September 2021, 4) Morbidity assumptions changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2018 (Base Year 2006) to Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and 5) The morbidity assumptions were updated to use the Dale Yamamoto model published by the Society of Actuaries to give a better projection of anticipated costs as adjusted for age.

Plan Assets – The Airport operates the OPEB Plan on a pay-as-you-go basis and as such, no assets are pre-funded for retiree health benefits. Therefore, at all times, the net position available for plan benefits is zero.

STATISTICAL SECTION

Statistical information differs from financial statements because it usually covers more than one fiscal year and may present non-accounting data.

Available financial trend data is presented to assist the reader in understanding the District's primary business activities and to identify emerging financial trends. Operational data further supports this.

Special attention is placed on operating revenues, operating expenses, and related indicators. Readers may be interested in the District's debt burden as it provides some insight as to the ability of the District to finance major capital projects.

Finally, demographic, economic, and operating information is presented to further explain the interrelationship of key indicators in the Upstate with the activities of the District.

This section contains the following subsections:

Airport Specific Statistics

Upstate Area Local Economy Statistics

GREENVILLE-SPARTANBURG AIRPORT DISTRICT OPERATING REVENUES ANALYSIS (000s)



JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues:										
Airside	\$ 3,343	\$ 2,521	\$ 3,049	\$ 3,513	\$ 3,299	\$ 3,222	\$ 2,957	\$ 2,919	\$ 2,994	\$ 2,241
Space & Ground Rental	13,871	10,357	12,856	11,395	10,525	8,812	8,710	8,053	8,012	6,527
Auto Parking Concession	14,516	6,023	11,792	15,044	12,262	11,799	9,773	9,176	8,684	8,468
Other Concessions	5,270	3,281	4,259	5,680	5,255	4,515	4,405	4,167	3,913	3,915
Commercial Ground Transportation	397	208	397	441	123	147	151	150	171	190
Expense Reimbursement	2,009	1,847	1,894	2,048	1,590	1,268	1,273	1,112	1,024	668
Other Income	5,752	4,546	2,423	3,720	3,100	1,776	1,096	1,108	887	928
Net Fuel Sales	6,317	4,742	3,960	5,068	4,301	1,907	-	-	-	-
Net Food and Beverage	2,753	895	-	-	-	-	-	-	-	-
Total operating revenues	\$ 54,228	\$ 34,420	\$ 40,630	\$ 46,909	\$ 40,455	\$ 33,446	\$ 28,365	\$ 26,685	\$ 25,685	\$ 22,937
Total enplanements	1,084	587	986	1,251	1,108	1,031	1,002	951	949	942
Operating revenues per enplaned passenger	50.03	58.64	41.21	37.50	36.51	32.44	28.31	28.06	27.07	24.35
Concessions revenues per enplaned passenger	18.25	15.85	16.28	16.57	15.81	15.82	14.15	14.03	13.27	13.15
Parking revenue per space	\$ 2,243	\$ 931	\$ 2,547	\$ 3,249	\$ 2,648	\$ 2,548	\$ 2,111	\$ 1,982	\$ 1,876	\$ 1,829

In early 2017, GSP opened Cerulean Aviation and joined the growing ranks of commercial airports that run their own fixed base operators (FBOs). The Airport also opted to provide cargo handling and ground support services for commercial charter flights. Cerulean Aviation continues to enhance customer service, make GSP more competitive, and increase revenue. In addition, beginning in fiscal year 2018, GSP adopted a new space rental methodology whereby the majority of airline space rent is charge on a per turn basis. Previously, airline revenue was received using a per square foot rate method for leased terminal space. Going forward, airline revenue is received on a per turn basis from airlines based on a combination of factors including aircraft class and utilization of ticket counter use. This change in methodology results in changes to operating revenues that mostly affect Space/Ground Rental, Other Concession, and Other Income. In fiscal years 2020 and 2021, due to the impact of COVID-19, the District experienced approximately 21% and 53%, respectively, reduction in enplaned passengers as compared to fiscal year 2019, which resulted in reductions to various operating revenues to include airside, auto parking concessions, other concessions, commercial ground transportation, etc.

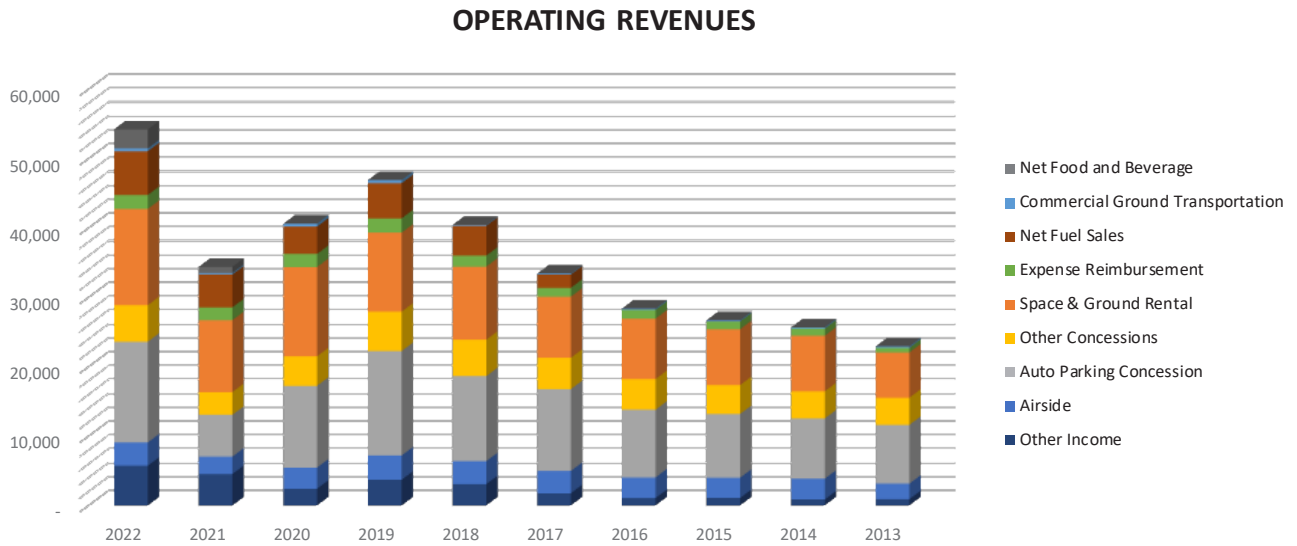
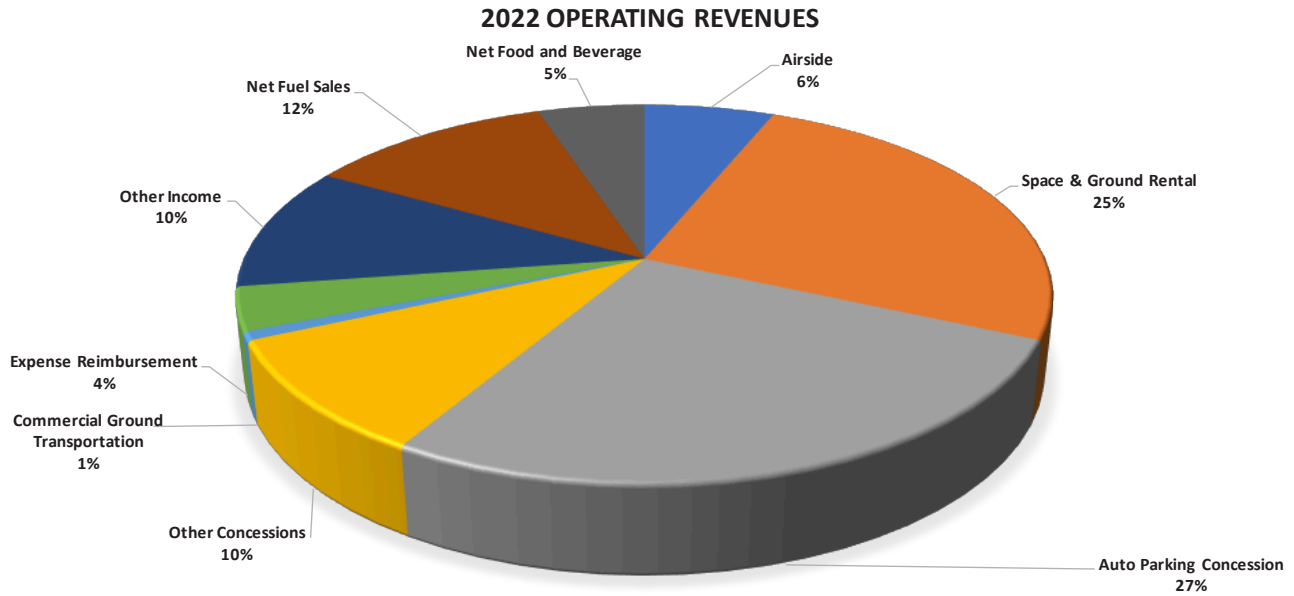
In fiscal year 2022, due to COVID-19 recovery, the District experienced approximately 85% increase in passengers to 1.1 million, which resulted in increases in various operating revenues to include airside, auto parking concessions, other concessions, commercial ground transportation, etc. The cargo operation continued to thrive, experiencing 16% growth in fiscal year 2022 with 194.5 million pounds as compared to 168.1 million pounds in fiscal year 2021. Cargo carriers represented 32% of the landed weight in fiscal year 2022.

Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT OPERATING EXPENSES ANALYSIS (000S)

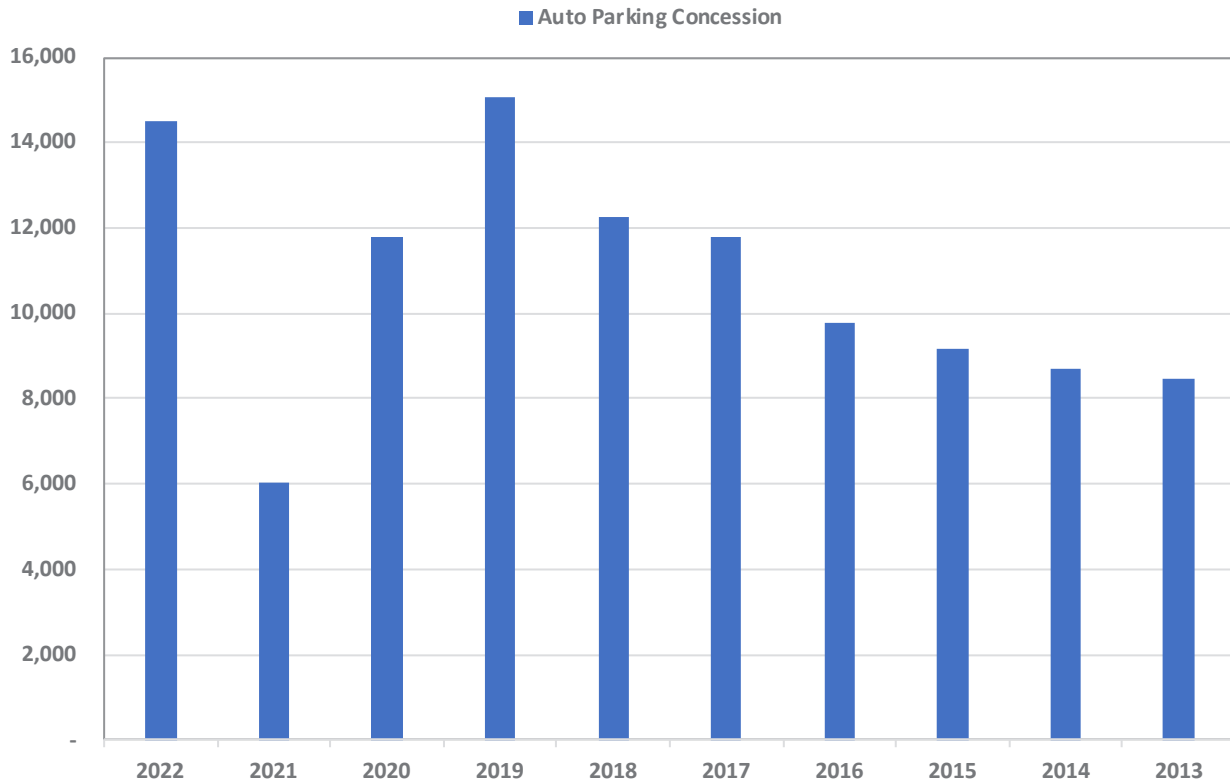


JUNE 30, 2022



Source: Greenville-Spartanburg Airport District Records

PUBLIC PARKING ANALYSIS



Operating revenues have increased 136.4% since 2013. Enplanements increased 15.1% to 1,084,304 compared to 941,880 ten years ago. Parking revenue increased 71.4% since 2013. The parking spaces are broken into Garage A: 1,083; Garage B: 1,515; Economy 1: 1,562; Economy 2: 1,441; Economy 3: 452 (Closed); and Valet: 418. Parking continues to be one of the District's highest individual revenue source.

Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT OPERATING EXPENSES ANALYSIS (000S)

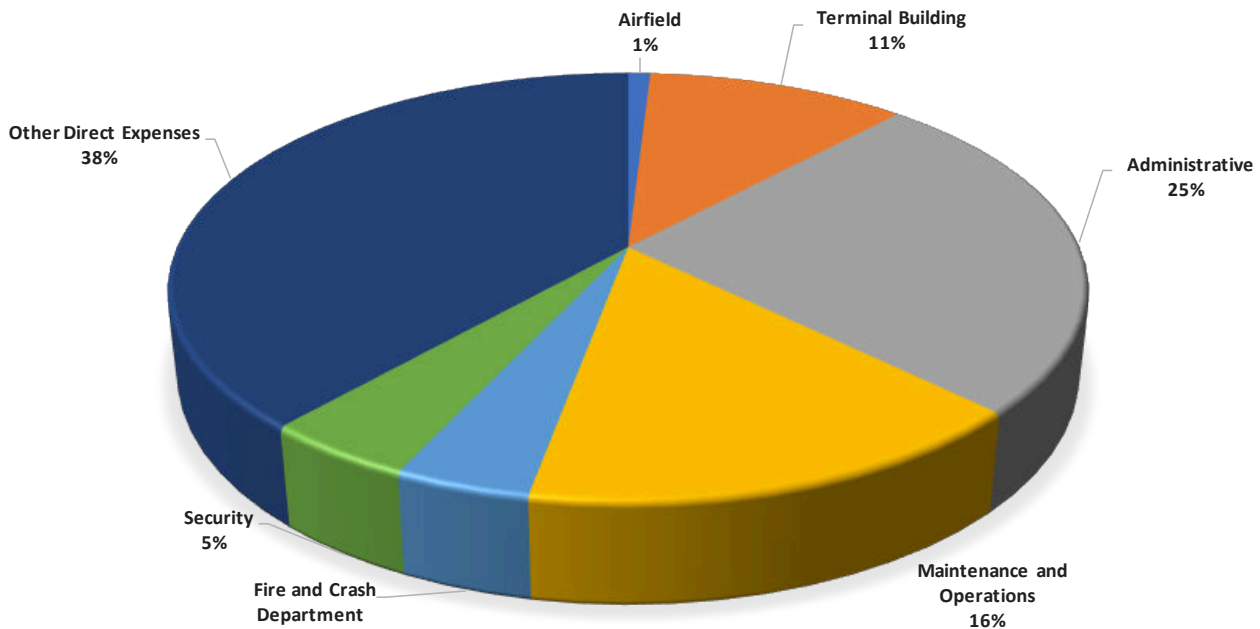


JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating expenses before loss on disposal of assets, depreciation, and pension expense:										
Airfield	\$ 290	\$ 293	\$ 406	\$ 458	\$ 308	\$ 260	\$ 293	\$ 223	\$ 274	\$ 27
Terminal Building	3,413	2,959	3,517	3,663	3,244	2,371	2,305	2,219	1,726	1,782
Administrative	7,905	8,478	6,800	7,412	5,612	6,646	5,035	4,787	4,120	3,817
Maintenance and Operations	4,840	4,108	4,501	4,292	3,941	3,328	3,081	3,178	3,105	2,974
Fire and Crash Department	1,266	1,237	1,418	1,298	1,220	1,155	1,045	1,106	1,041	1,007
Security	1,416	1,227	1,416	1,361	1,233	1,216	1,126	1,242	1,160	1,022
Other Direct Expenses	11,962	7,704	6,932	7,466	5,335	4,061	1,958	1,871	1,653	1,660
Total operating expenses before loss on disposal of assets, depreciation, and pension expense	\$ 31,092	\$ 26,006	\$ 24,990	\$ 25,950	\$ 20,893	\$ 19,037	\$ 14,843	\$ 14,626	\$ 13,079	\$ 12,289

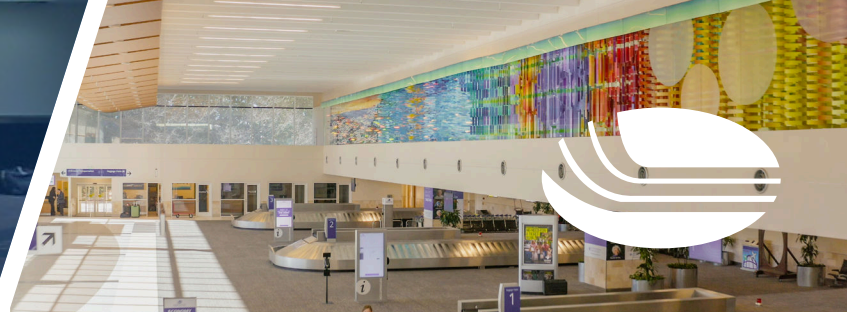
Operating expenses have increased 153.0% since 2013. As noted earlier in early 2017, GSP opened Cerulean Aviation to run their own fixed base operators (FBOs), which has resulted in increased operating expenses. While expenses decreased in fiscal year 2020 due to the impact of COVID-19, they have rebounded in all aspects.

2022 OPERATING EXPENSES BEFORE DEPRECIATION AND PENSION EXPENSE



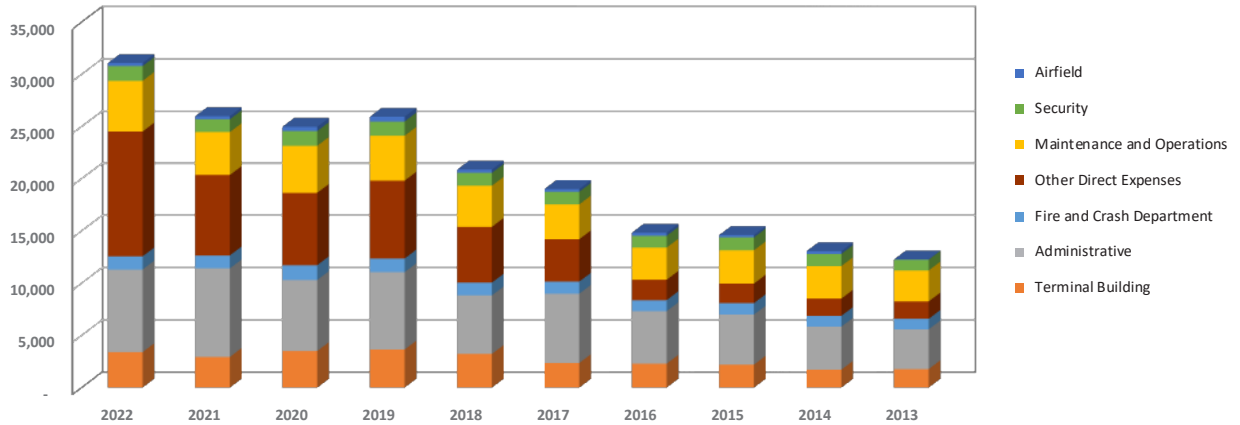
Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT OPERATING EXPENSES ANALYSIS (000S)



JUNE 30, 2022

OPERATING EXPENSES BEFORE DEPRECIATION AND PENSION EXPENSE



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION ANALYSIS (000S)



JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues:										
Airside:	\$ 3,343	\$ 2,521	\$ 3,049	\$ 3,513	\$ 3,299	\$ 3,222	\$ 2,957	\$ 2,919	\$ 2,994	\$ 2,241
Space and ground rental	13,871	10,357	12,856	11,395	10,525	8,812	8,710	8,053	8,012	6,527
Auto parking concessions	14,516	6,023	11,792	15,044	12,262	11,799	9,773	9,176	8,684	8,468
Other concessions	5,270	3,281	4,259	5,680	5,255	4,515	4,405	4,167	3,913	3,915
Commercial ground transportation	397	208	397	441	123	147	151	150	171	190
Expense reimbursement	2,009	1,847	1,894	2,048	1,590	1,268	1,273	1,112	1,024	668
Other income	5,752	4,546	2,423	3,720	3,100	1,776	1,096	1,108	887	928
Operating revenues before fuel sales	45,158	28,783	36,670	41,841	36,154	31,539	28,365	26,685	25,685	22,937
Gross profit on fuel sales:										
Fuel sales	9,740	6,388	5,974	7,449	5,898	2,318	-	-	-	-
Cost of goods sold	(3,423)	(1,646)	(2,014)	(2,381)	(1,597)	(411)	-	-	-	-
Fuel sales - net	6,317	4,742	3,960	5,068	4,301	1,907	-	-	-	-
Gross profit on food and beverage:										
Food and beverage	3,904	1,233	-	-	-	-	-	-	-	-
Cost of goods sold	(1,151)	(338)	-	-	-	-	-	-	-	-
Food and beverage - net	2,753	895	-	-	-	-	-	-	-	-
Total operating revenues	54,228	34,420	40,630	46,909	40,455	33,446	28,365	26,685	25,685	22,937
Operating expenses before loss on disposal of assets and depreciation:										
Airfield	290	293	406	458	308	260	293	223	274	27
Terminal building	3,413	2,959	3,517	3,663	3,244	2,371	2,305	2,219	1,726	1,782
Administrative	7,905	8,478	6,800	7,412	5,612	6,646	5,035	4,787	4,120	3,817
Maintenance and operations	4,840	4,108	4,501	4,292	3,941	3,328	3,081	3,178	3,105	2,974
Fire and crash department	1,266	1,237	1,418	1,298	1,220	1,155	1,045	1,106	1,041	1,007
Security	1,416	1,227	1,416	1,361	1,233	1,216	1,126	1,242	1,160	1,022
Other direct expenses	11,962	7,704	6,932	7,466	5,335	4,061	1,958	1,871	1,653	1,660
Total operating expenses before loss on disposal of assets and depreciation	31,092	26,006	24,990	25,950	20,893	19,037	14,843	14,626	13,079	12,289
Operating income before loss on disposal of assets, pension and depreciation expenses	23,136	8,415	15,640	20,959	19,562	14,409	13,522	12,059	12,606	10,648
Net Loss on disposal of assets	-	-	-	-	-	4	195	490	2,027	60
Pension	2,521	4,613	4,338	3,154	2,125	1,178	835	-	-	-
Depreciation	15,130	13,463	12,240	12,032	11,804	10,846	10,129	9,726	10,051	9,658
Operating income (loss)	5,485	(9,661)	(938)	5,773	5,633	2,381	2,363	1,843	528	930
Nonoperating revenues (expenses):										
Contract facility charges	1,457	515	1,686	1,263	986	1,154	1,027	857	318	1,514
Passenger facility charges	4,353	2,661	313	-	-	-	-	-	-	-
Interest earned on accounts	1,359	302	536	401	134	53	43	23	56	111
Change in fair value of investments	(1,581)	(263)	5	96	10	2	2	8	(1)	9
Insurance proceeds and legal settlement	68	1,048	109	-	536	-	-	-	-	-
Interest and other financing costs- net	(548)	(623)	(904)	(540)	(197)	(155)	(155)	(176)	(195)	(277)
Nonoperating revenues - net	5,108	3,640	1,745	1,220	1,469	1,054	917	712	178	1,357
Income before capital contributions	10,593	(6,021)	807	6,993	7,102	3,435	3,280	2,555	706	2,287
Capital contributions	10,262	7,271	9,229	13,126	5,854	11,936	3,341	6,524	8,191	4,631
Federal non-capital grants	11,123	20,111	10,870	-	-	-	-	-	-	-
Increase in net position	31,978	21,361	20,906	20,119	12,956	15,371	6,621	9,079	8,897	6,918
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	-	-
Change in net position	31,978	21,361	20,906	20,119	12,956	15,371	6,621	9,079	8,897	6,918
Net position:										
Beginning of year	316,498	295,137	274,231	254,112	241,156	225,935	219,314	219,451	210,554	203,636
Cumulative effect of change in accounting principle (A)	-	-	-	-	-	(150)	-	(9,216)	-	-
Beginning of year, restated	316,498	295,137	274,231	254,112	241,156	225,785	219,314	210,235	210,554	203,636
End of year	\$ 348,476	\$ 316,498	\$ 295,137	\$ 274,231	\$ 254,112	\$ 241,156	\$ 225,935	\$ 219,314	\$ 219,451	\$ 210,554

(A) - Net position has been restated for the adoption of GASB 75 and 68 in 2017 and 2015, respectively.

Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

STATEMENTS OF NET POSITION ANALYSIS (000S)

JUNE 30, 2022

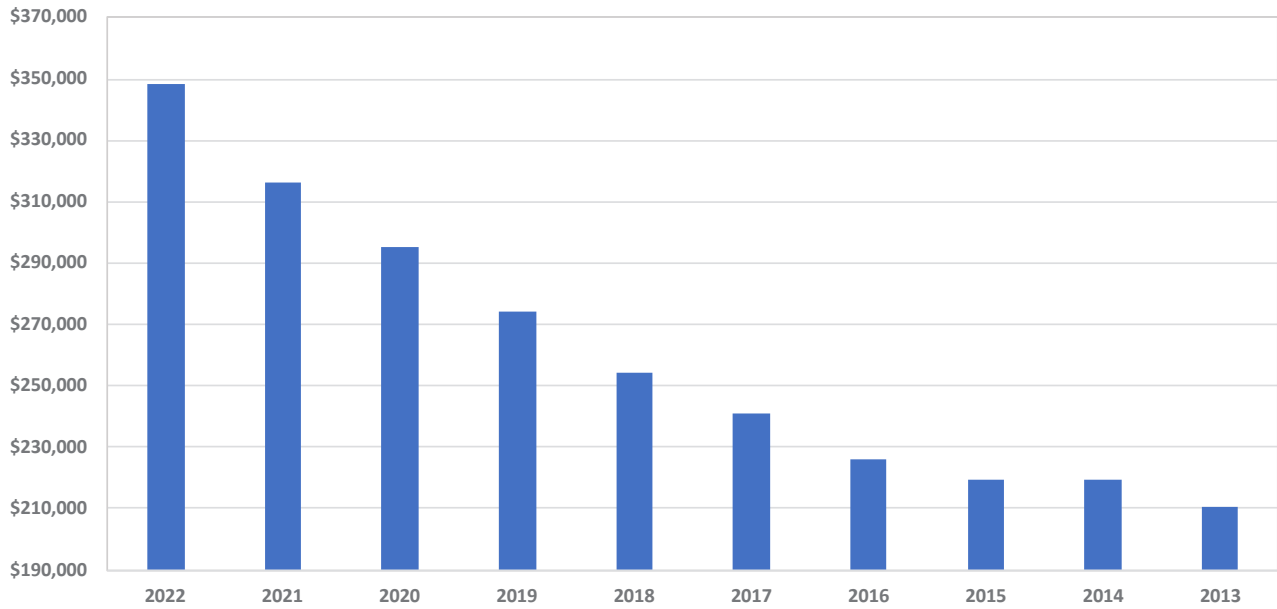
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ASSETS										
Current unrestricted assets:										
Cash	\$ 31,157	\$ 20,168	\$ 3,479	\$ 10,261	\$ 11,854	\$ 6,291	\$ 2,805	\$ 9,621	\$ 14,518	\$ 5,809
Receivables	8,063	7,578	18,449	8,480	2,537	3,339	3,851	624	583	3,089
Inventories and prepaid insurance	962	596	528	652	566	479	1,056	439	512	308
Investments	38,421	39,188	19,312	16,688	9,996	9,996	16,864	36,262	46,517	73,383
Leases receivable	3,955	-	-	-	-	-	-	-	-	-
Total current unrestricted assets	82,558	67,530	41,768	36,081	24,953	20,105	24,576	46,946	62,130	82,589
Current restricted assets:										
Cash	20,651	12,788	8,660	5,332	2,744	1,865	-	598	-	-
Receivables	698	941	353	284	292	280	246	239	226	215
Investments - held by Trustee	-	-	451	433	422	407	398	383	377	366
Total current restricted assets	21,349	13,729	9,464	6,049	3,458	2,552	644	1,220	603	581
Noncurrent assets:										
Leases receivable	34,586	-	-	-	-	-	-	-	-	-
Leases asset - net	1,298	-	-	-	-	-	-	-	-	-
Capital assets - at cost	515,218	484,903	458,473	432,974	398,422	373,496	342,531	304,815	279,147	267,995
Less accumulated depreciation	(199,602)	(185,304)	(171,842)	(159,601)	(147,569)	(135,809)	(125,933)	(116,071)	(114,066)	(131,307)
Capital Assets - net	315,616	299,599	286,631	273,373	250,853	237,687	216,598	188,744	165,081	136,688
Total noncurrent assets	351,500	299,599	286,631	273,373	250,853	237,687	216,598	188,744	165,081	136,688
Total Assets	455,407	380,858	337,863	315,503	279,264	260,344	241,818	236,910	227,814	219,858
Deferred Outflows of Resources:										
Deferred outflow related to State Pension Plans	4,184	5,177	6,154	5,662	4,535	2,330	972	887	-	-
Deferred outflow related to OPEB	916	1,051	186	222	259	-	-	-	-	-
Total deferred outflows	5,100	6,228	6,340	5,884	4,794	2,330	972	887	-	-
LIABILITIES										
Payable from unrestricted assets:										
Accounts payable	11,740	7,947	7,112	9,553	3,259	4,059	3,192	4,852	4,609	5,314
Accrued employee benefits	2,028	1,381	1,329	1,499	1,224	-	-	-	-	-
Accrued interest payable	44	45	-	-	-	-	-	-	-	-
Lease liabilities - current portion	312	-	-	-	-	-	-	-	-	-
Line of credit	-	-	2,100	-	7,194	2,164	-	-	-	-
Term notes payable - current portion	1,750	1,750	784	784	-	-	-	-	-	-
Total payable from unrestricted assets	15,874	11,123	11,325	11,836	11,677	6,223	3,192	4,852	4,609	5,314
Payable from restricted assets:										
Accrued interest payable	-	-	87	43	55	67	78	88	97	106
Revenue bonds - current portion	-	-	420	390	365	340	320	295	280	260
Total payable from restricted assets	-	-	507	433	420	407	398	383	377	366
Total current liabilities	15,874	11,123	11,832	12,269	12,097	6,630	3,590	5,235	4,986	5,680
Noncurrent liabilities:										
Long-term employee benefits	1,578	1,314	1,134	803	675	423	827	803	802	769
Net pension liability	18,779	23,187	21,027	17,931	15,244	12,214	10,446	9,311	-	-
Total OPEB liability	2,514	2,727	782	712	660	608	-	-	-	-
Lease liabilities - net of current portion	1,009	-	-	-	-	-	-	-	-	-
Term notes payable - net of current portion	30,188	31,938	13,661	14,446	-	-	-	-	-	-
Revenue bonds payable - net of current portion	-	-	445	865	1,255	1,620	1,960	2,280	2,575	2,855
Total noncurrent liabilities	54,068,000	59,166	37,049	34,757	17,834	14,865	13,233	12,394	3,377	3,624
Total Liabilities	70,288	70,288	48,881	47,026	29,931	21,495	16,823	17,629	8,363	9,304
Deferred Inflows of Resources:										
Deferred inflow related to State Pension Plans	3,669	402	152	89	15	23	32	854	-	-
Deferred inflow related to OPEB	885	493	33	41	-	-	-	-	-	-
Deferred inflow related to Leases	37,537	-	-	-	-	-	-	-	-	-
Total deferred inflows	42,091	895	185	130	15	23	32	854	-	-
NET POSITION										
Net investment in capital assets	278,701	262,010	264,078	249,914	240,693	231,976	212,500	185,952	162,020	133,378
Restricted:										
Held by trustee	-	-	364	390	367	340	320	295	280	259
Contract facility charges	13,696	10,755	8,700	5,617	2,158	2,146	2,111	2,100	1,651	1,477
Passenger facility charges	7,653	2,974	313	-	-	-	-	-	-	-
Total restricted	21,349	13,729	9,377	6,007	2,525	2,486	2,431	2,395	1,931	1,736
Unrestricted	48,426	40,759	21,682	18,310	10,894	6,694	11,004	30,967	55,500	75,440
Total Net Position	\$ 348,476	\$ 316,498	\$ 295,137	\$ 274,231	\$ 254,112	\$ 241,156	\$ 225,935	\$ 219,314	\$ 219,451	\$ 210,554

Source: Greenville-Spartanburg Airport District Records



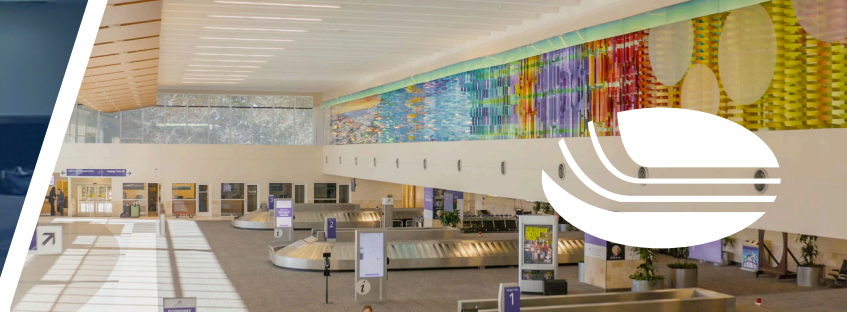
JUNE 30, 2022

NET POSITION (000s)



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT GROSS MARGIN ANALYSIS (000S)



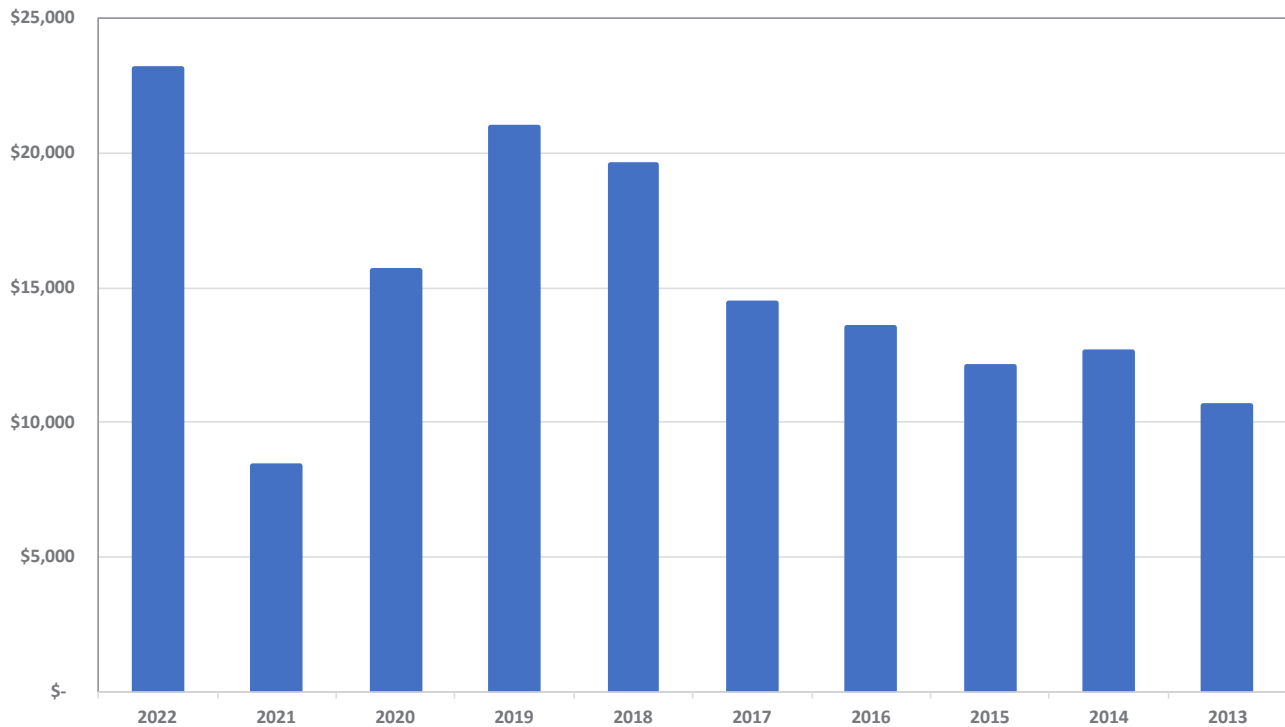
JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues	\$ 54,228	\$ 34,420	\$ 40,630	\$ 46,909	\$ 40,455	\$ 33,446	\$ 28,365	\$ 26,685	\$ 25,685	\$ 22,937
Operating expenses	\$ 31,092	\$ 26,006	\$ 24,990	\$ 25,950	\$ 20,893	\$ 19,037	\$ 14,843	\$ 14,626	\$ 13,079	\$ 12,289
Gross margin (\$)	\$ 23,136	\$ 8,414	\$ 15,640	\$ 20,959	\$ 19,562	\$ 14,409	\$ 13,522	\$ 12,059	\$ 12,606	\$ 10,648
Gross margin (%) *	42.7%	24.4%	38.5%	44.7%	48.4%	43.1%	47.7%	45.2%	49.1%	46.4%

*Excludes Depreciation and Pension Expense

Fiscal years 2021 and 2020 illustrate the impact of COVID-19 to various operating revenues to include airside, auto parking concessions, other concessions, commercial ground transportation, etc. Accordingly, operating expenses were reduced in order to mitigate the loss of operating revenues. Although the cargo operation also experienced reduction in fiscal year 2020, it rebounded much quicker than passenger traffic helping to raise overall gross margin.

GROSS MARGIN (000s)

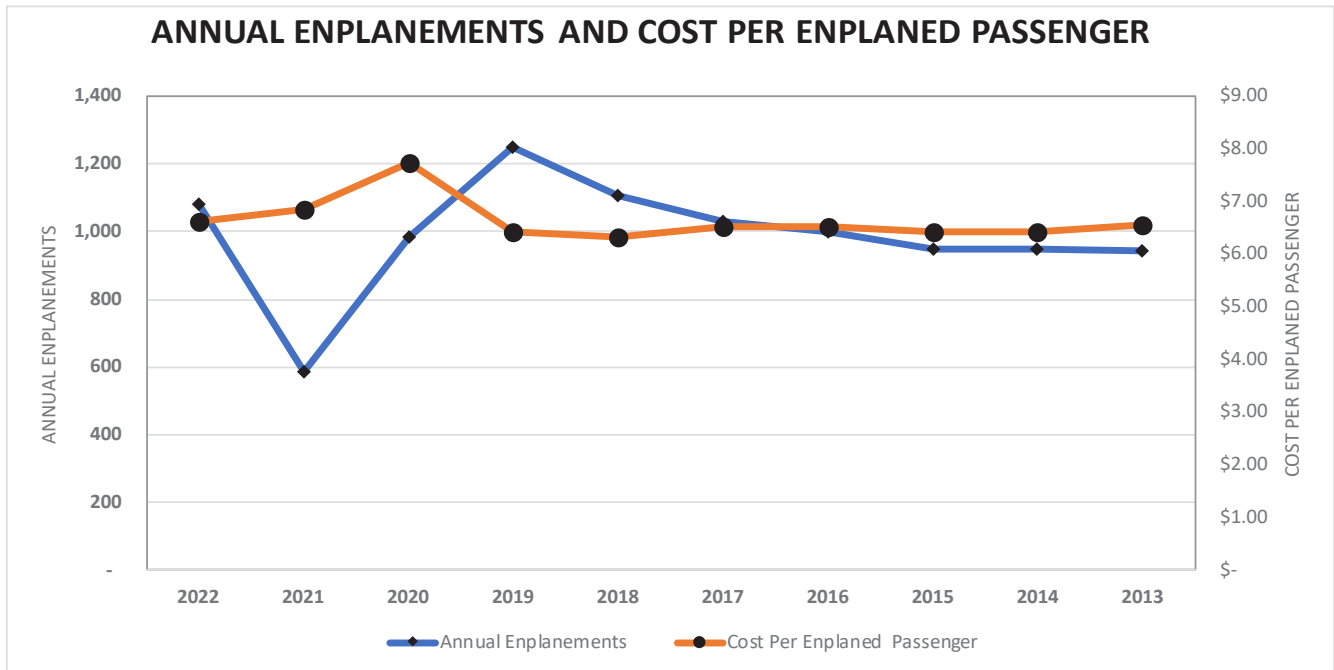


Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT **COST PER ENPLANEMENT (CPE) ANALYSIS (000S)**

JUNE 30, 2022

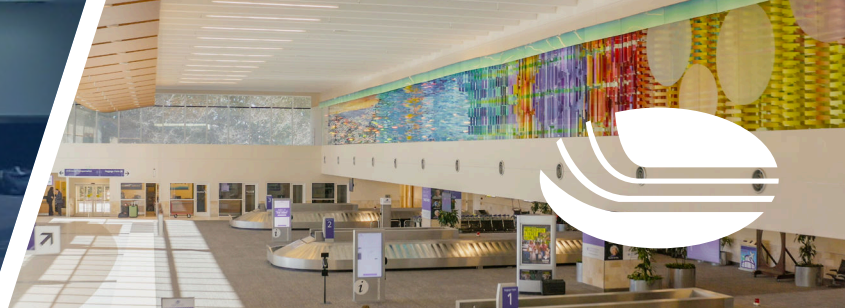
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual Enplanements	1,084	587	986	1,251	1,108	1,031	1,002	951	949	942
Landing Fees	\$ 1,946	\$ 1,319	\$ 2,023	\$ 2,211	\$ 2,086	\$ 2,127	\$ 2,031	\$ 1,956	\$ 2,070	\$ 1,842
Terminal Rent	774	422	1,364	1,277	1,241	3,692	3,747	3,432	3,346	3,653
Apron Fees & Aircraft Parking	-	-	65	66	62	236	197	207	180	147
Passenger Boarding Bridge	-	-	-	-	-	317	316	280	332	332
Shared Tenant Services	74	84	71	56	48	63	46	46	36	2
Security Fees	225	126	133	279	230	-	-	-	-	-
Refuse	-	-	-	-	-	3	4	4	4	4
Triturator	-	-	-	-	7	6	6	6	6	10
Per Turn Fees	4,024	2,017	3,915	4,070	3,271	271	205	169	130	174
CUSS Ticketing Stock	53	29	57	58	48	-	-	-	-	-
Share Use Equipment	85	20	20	20	20	-	-	-	-	-
Utility Reimbursement	-	-	-	-	-	-	-	-	-	-
Total Airline Cost	\$ 7,181	\$ 4,017	\$ 7,646	\$ 8,037	\$ 7,013	\$ 6,715	\$ 6,552	\$ 6,100	\$ 6,104	\$ 6,164
Cost Per Enplaned Passenger	\$ 6.62	\$ 6.84	\$ 7.75	\$ 6.42	\$ 6.33	\$ 6.51	\$ 6.54	\$ 6.41	\$ 6.43	\$ 6.54



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

OPERATING REVENUES, EXPENSES, AND GROSS MARGIN PER ENPLANEMENT ANALYSIS (000S)

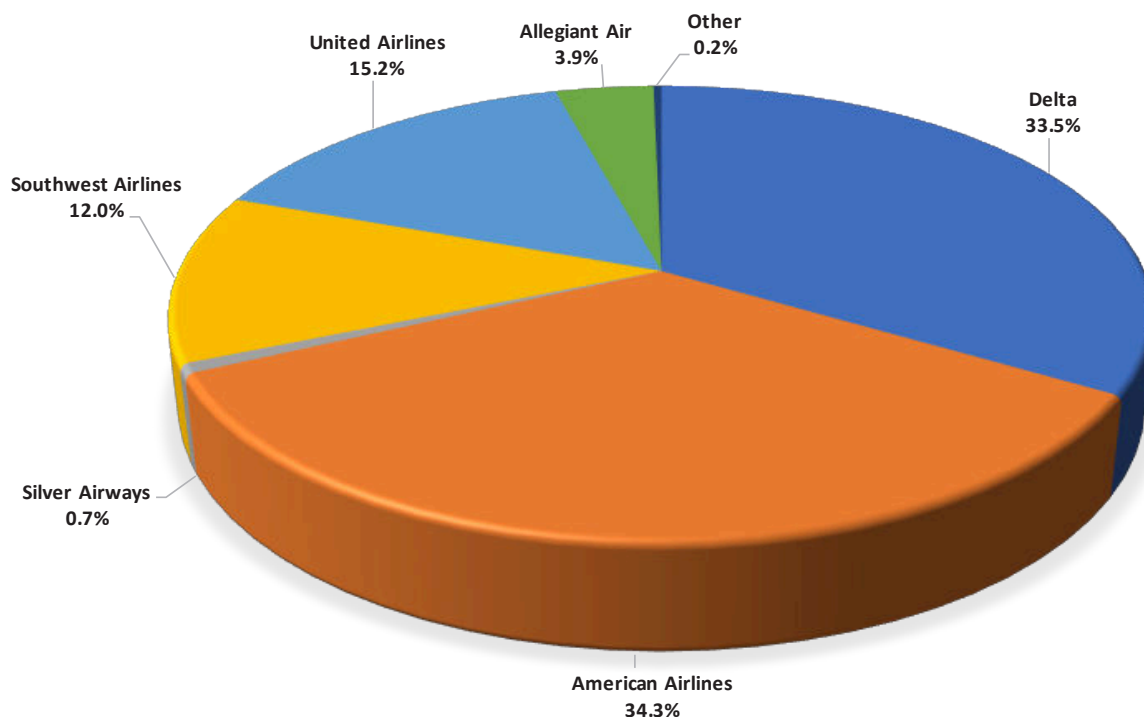


JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Revenues Per Enplaned Passenger	\$ 50.03	\$ 58.64	\$ 41.21	\$ 37.50	\$ 36.51	\$ 32.44	\$ 28.31	\$ 28.06	\$ 27.07	\$ 24.35
Operating Expenses Per Enplaned Passenger *	44.97	75.10	42.16	32.88	31.43	30.13	25.95	26.12	26.51	23.36
Gross Margin per Enplaned Passenger	\$ 5.06	\$ (16.46)	\$ (0.95)	\$ 4.61	\$ 5.08	\$ 2.31	\$ 2.36	\$ 1.94	\$ 0.56	\$ 0.99

* Operating Expenses above includes pension and depreciation expenses

2022 ENPLANEMENT MARKET SHARE



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

CONTRACT FACILITY CHARGES (CFC) AND PASSENGER FACILITY CHARGES (PFC) ANALYSIS (000S)

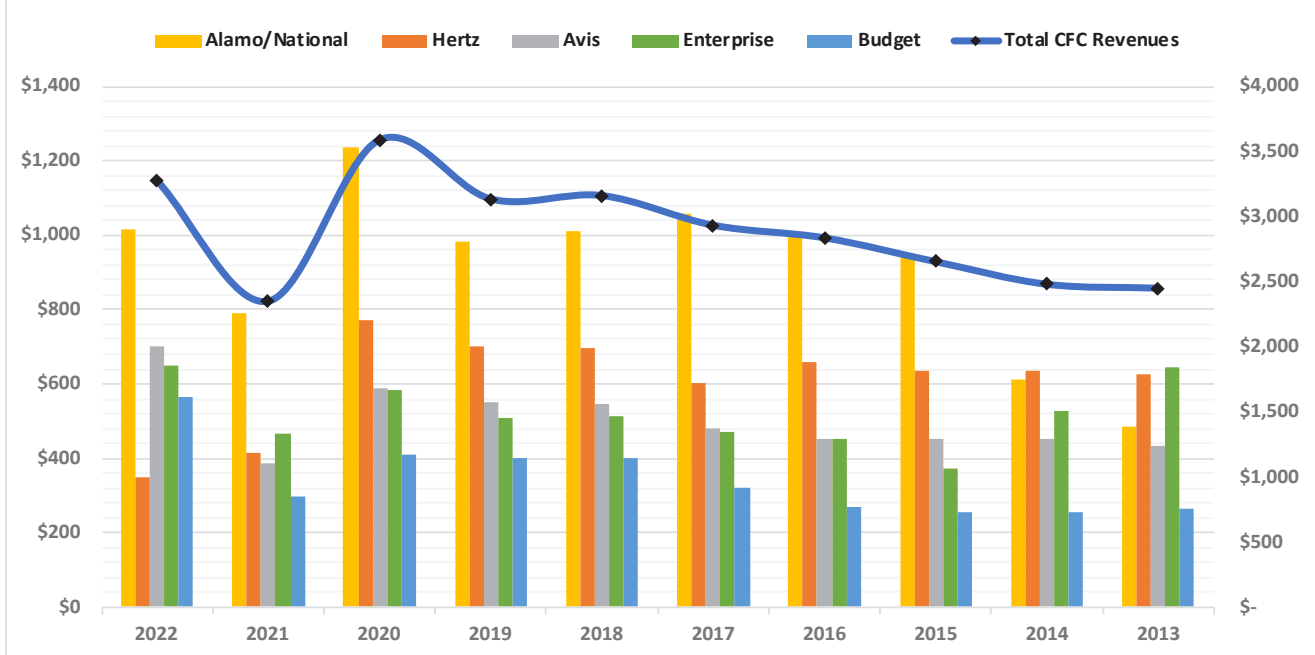


JUNE 30, 2022

Customer Facility Charges

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Hertz	\$ 347	\$ 413	\$ 773	\$ 700	\$ 698	\$ 603	\$ 658	\$ 637	\$ 637	\$ 624
Avis	700	388	587	549	544	482	451	450	450	434
Alamo/National	1,016	790	1,235	981	1,009	1,056	1,008	942	614	487
Budget	564	295	412	400	401	321	267	255	253	263
Enterprise	651	464	583	507	511	473	454	371	527	643
Total CFC Revenues	\$ 3,279	\$ 2,350	\$ 3,590	\$ 3,137	\$ 3,163	\$ 2,935	\$ 2,838	\$ 2,655	\$ 2,481	\$ 2,451

ANNUAL CONTRACT FACILITIES CHARGES (CFCs)



Passenger Facility Charges

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Allegiant Air	\$ 201	\$ 151	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
American Airlines	1,535	1,042	145	-	-	-	-	-	-	-
Delta	1,445	725	59	-	-	-	-	-	-	-
Silver Airways	30	18	-	-	-	-	-	-	-	-
Southwest Airlines	432	300	39	-	-	-	-	-	-	-
United Airlines	661	414	43	-	-	-	-	-	-	-
Other	49	11	1	-	-	-	-	-	-	-
Total PFC Revenues	\$ 4,353	\$ 2,661	\$ 313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

On March 18, 2020, the U.S. Department of Transportation's Federal Aviation Administration (FAA) acknowledged the District's notice of intent to impose and use a passenger facility charges (PFC). The FAA acknowledged that GSP could begin collecting a PFC at a \$4.50 PFC level on May 1, 2020 and complete collections on July 1, 2023.

Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

OUTSTANDING DEBT BY TYPE AND DEBT SERVICE COVERAGE ANALYSIS



JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Outstanding Debt										
Revenue bonds	\$ -	\$ -	\$ 865	\$ 1,255	\$ 1,620	\$ 1,960	\$ 2,280	\$ 2,575	\$ 2,855	\$ 3,115
Term note payable	31,938	33,688	14,445	15,230	-	-	-	-	-	-
Line of credit	-	-	2,100	-	7,194	2,164	-	-	-	-
	<u>\$ 31,938</u>	<u>\$ 33,688</u>	<u>\$ 17,410</u>	<u>\$ 16,485</u>	<u>\$ 8,814</u>	<u>\$ 4,124</u>	<u>\$ 2,280</u>	<u>\$ 2,575</u>	<u>\$ 2,855</u>	<u>\$ 3,115</u>
Upstate Region Population	1,512	1,512	1,494	1,479	1,460	1,441	1,424	1,408	1,393	1,383
Outstanding Debt per Capita	\$ 21	\$ 22	\$ 12	\$ 11	\$ 6	\$ 3	\$ 2	\$ 2	\$ 2	\$ 2
Total Enplaned Passengers	1,084	587	986	1,251	1,108	1,031	1,002	951	949	942
Outstanding Debt / Enplaned Passengers	\$ 29	\$ 57	\$ 18	\$ 13	\$ 8	\$ 4	\$ 2	\$ 3	\$ 3	\$ 3
Debt Service Coverage										
Operating revenue	\$ 54,228	\$ 33,525	\$ 40,630	\$ 46,909	\$ 40,455	\$ 33,446	\$ 28,365	\$ 26,685	\$ 25,685	\$ 22,937
Less operating expenses	31,092	26,006	24,990	25,950	20,893	19,037	14,843	14,626	13,079	12,289
Less pension contributions	1,593	1,638	1,482	1,169	837	732	835	-	-	-
Income from CFC	1,457	515	1,686	1,263	986	1,154	1,027	857	318	1,514
Investment income	1,359	302	536	401	134	53	43	23	56	111
Coverage cash flow	<u>\$ 24,359</u>	<u>\$ 6,698</u>	<u>\$ 16,380</u>	<u>\$ 21,454</u>	<u>\$ 19,845</u>	<u>\$ 14,884</u>	<u>\$ 13,757</u>	<u>\$ 12,939</u>	<u>\$ 12,980</u>	<u>\$ 12,273</u>
Total debt service	<u>\$ 2,287</u>	<u>\$ 2,365</u>	<u>\$ 1,917</u>	<u>\$ 1,956</u>	<u>\$ 876</u>	<u>\$ 450</u>	<u>\$ 454</u>	<u>\$ 450</u>	<u>\$ 456</u>	<u>\$ 455</u>
Debt service coverage	1065.22%	283.16%	854.43%	1097.01%	2264.78%	3304.00%	3032.37%	2872.17%	2848.90%	2699.08%

For calculation of debt service coverage, actual contributions into the Airport sponsored pension plans during the year are utilized instead of actuarially determined pension expense as reported in the statements of revenues, expenses and changes in net position.

Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT CASH FLOW SUMMARY ACTIVITIES ANALYSIS (000S)



JUNE 30, 2022

Cash flows provided by (used) in:

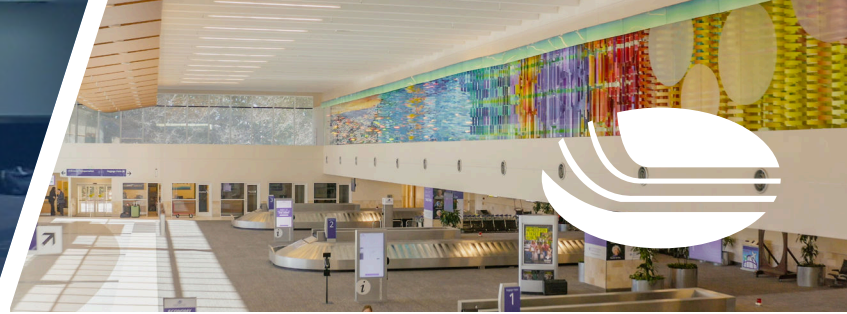
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating activities	\$ 17,301	\$ 8,104	\$ 13,913	\$ 20,993	\$ 19,438	\$ 15,643	\$ 7,436	\$ 12,398	\$ 16,281	\$ 10,230
Noncapital and related financing activities	\$ 11,128	\$ 30,702	-	-	-	-	-	-	-	-
Capital and related financing activities	\$ (9,460)	\$ 1,467	\$ (15,304)	\$ (13,691)	\$ (13,125)	\$ (17,215)	\$ (34,292)	\$ (26,982)	\$ (34,494)	\$ (19,002)
Investing activities	\$ (117)	\$ (19,907)	\$ (2,046)	\$ (6,296)	\$ 143	\$ 7,331	\$ 19,442	\$ 10,285	\$ 26,921	\$ 9,209
Net increase (decrease) in cash:	\$ 18,852	\$ 20,366	\$ (3,436)	\$ 1,006	\$ 6,456	\$ 5,759	\$ (7,414)	\$ (4,299)	\$ 8,708	\$ 437
Beginning Year Cash and Cash Equivalents	\$ 32,956	\$ 12,590	\$ 16,026	\$ 15,020	\$ 8,564	\$ 2,805	\$ 10,219	\$ 14,518	\$ 5,810	\$ 5,373
End of Year Cash and Cash Equivalents	\$ 51,808	\$ 32,956	\$ 12,590	\$ 16,026	\$ 15,020	\$ 8,564	\$ 2,805	\$ 10,219	\$ 14,518	\$ 5,810
Cash Days on Hand	608	463	184	225	262	164	69	255	405	173

The cash days on hand is operating expenses adjusted for non-cash expense divided by 365 days. The ending cash balance does not include investments, which are highly liquid. The inclusion of the investments could significantly impact the cash days on hand.



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT AIRCRAFT ACTIVITY AND WEIGHTS ANALYSIS

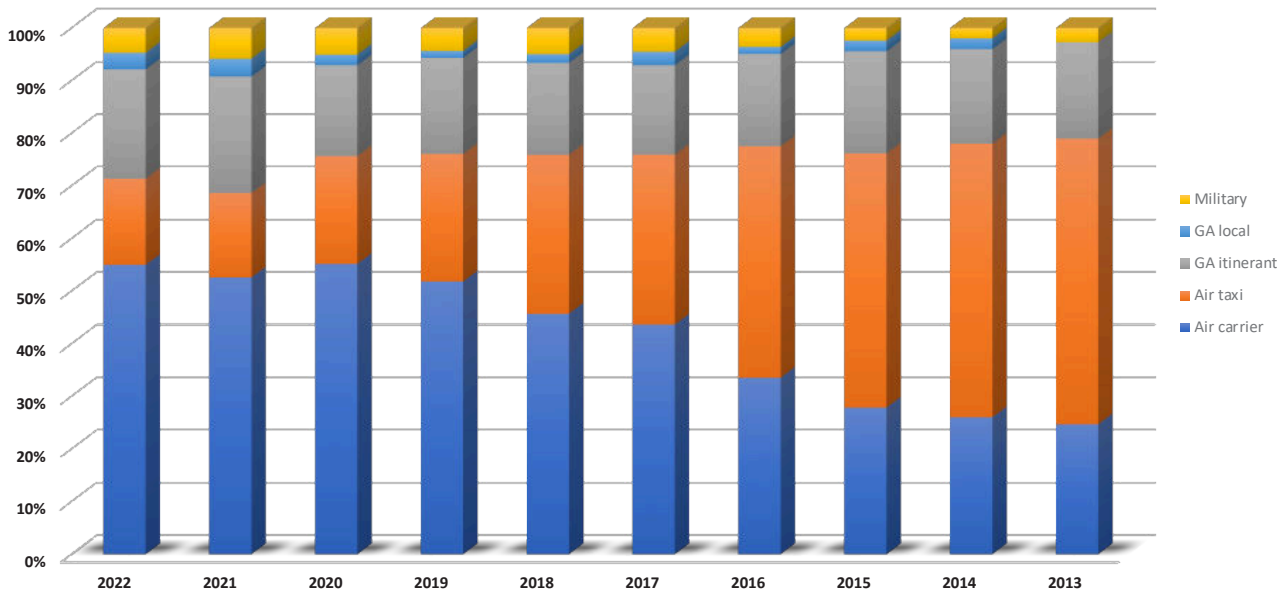


JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Aircraft Operations										
Air carrier	28,587	21,440	25,603	27,020	21,801	19,370	14,875	12,440	11,802	11,704
Air taxi	8,520	6,549	9,512	12,654	14,425	14,343	19,510	21,592	23,618	25,751
GA itinerant	10,818	9,022	8,005	9,521	8,334	7,547	7,764	8,674	8,168	8,692
Military	2,446	2,385	2,354	2,286	2,377	2,012	1,601	1,078	893	1,289
GA local	2,012	1,642	1,380	943	674	787	1,135	597	903	932
Aircraft Operations	52,383	41,038	46,854	52,424	47,611	44,059	44,885	44,381	45,384	48,368
Cargo (000s Pounds)	194,518	168,065	111,537	118,329	112,449	81,867	61,657	60,532	59,349	58,071

Over the last ten years, air carrier operations have steadily increased at GSP thanks to the introduction of more flights and new non-stop destinations. Airlines have introduced larger, more efficient aircraft and passenger activity has increased. However, in fiscal year 2020 travel restrictions associated with the COVID-19 pandemic negatively impacted operations at airports across the nation, including GSP. While full recovery for the aviation industry is not anticipated until fiscal year 2024, the strong economy in the Upstate South Carolina region has and continues to aid GSP's efforts to restore, attract and expand service in the future.

AIRPORT OPERATIONS

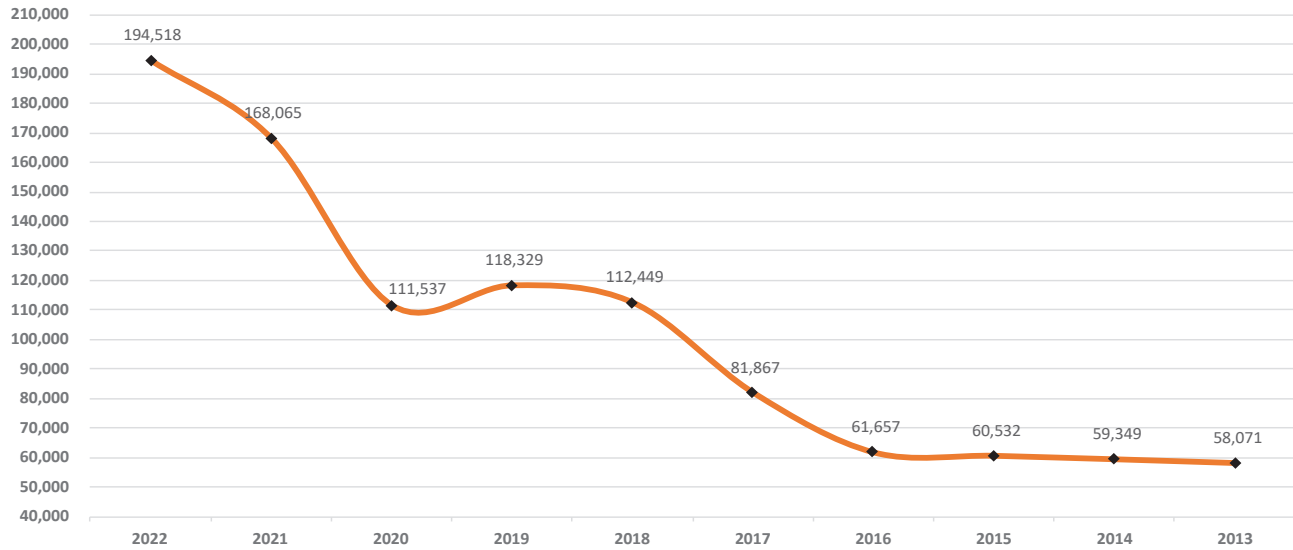


Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT CARGO OPERATIONS ANALYSIS (000S)

JUNE 30, 2022

CARGO OPERATIONS (000s Pounds)



Source: Greenville-Spartanburg Airport District Records

GREENVILLE-SPARTANBURG AIRPORT DISTRICT EMPLOYEE ANALYSIS AND MAJOR AIRPORT TENANTS



JUNE 30, 2022

Employee Analysis

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Full time	183.0	176.0	178.0	177.0	174.0	149.0	103.0	102.0	103.0	96.0
Part time ¹	23.0	21.0	21.0	24.0	31.0	34.7	34.5	31.1	31.0	31.0
Total Employees	206.0	197.0	199.0	201.0	205.0	183.7	137.5	133.1	134.0	127.0

¹Part time employees include seasonal employees for all years

Major Airport Tenants

Passenger Carriers:

Allegiant Air
American Airlines
Contour Airlines
Delta Air Lines
Silver Airways
Southwest Airlines
United Airlines

Air Cargo Carriers:

Air Atlanta Icelandic
Federal Express
Mountain Air Cargo
United Parcel Service

Charter Services:

SAI Flight Services
Venture Aviation

Private Hangar Partners:

Barker Products
Barnet Vistas
Gibbs International
Michelin
Milliken
PSA Airlines
SAI Flight Services
Venture Aviation

Other Airport Tenants:

Aeronautical Radio
Airgate/Sprint
American Cargo
AT&T
Bradford Logistics Group
CenterPoint
Delta Cargo
EQT Exeter
G2 Secure Staff
Greer CPW
JetStar
Majestic Air Services
PrimeFlight Aviation
Senator International
SB Acquisitions
US Federal Aviation Administration
US National Weather Service
US Transportation Security Administration

Other Terminal Tenants:

Clear
Fuel Rod
Good Vibrations
Hudson Group
Innovative Vending Solutions
MAG-Escape Lounge
Metz Culinary Management
Prepango
TD Bank

Rental Car:

Alamo/National
Avis
Budget
Enterprise
Hertz

Ground Transportation:

Eastside Transportation
Hotel Shuttles
Limousine Companies
Taxicab Companies
TNC's (Uber, Lyft)

Ground Handlers:

Delta Global Services
GAT Airline Ground Support
Piedmont Airlines
Trego-Dugan Aviation
United Ground Express

Vehicle Parking:

LAZ Parking LLC

Fixed Base Operator:

Cerulean Aviation

Source: Greenville-Spartanburg Airport District Records

Title	Source
<u>Life</u>	
Best Place to Live	Money
Best US Cities for Biking	AAA
12 Spectacularly Scenic Waterfall Drives Across the U.S.	Fodor's
The Best Suburban Neighborhoods You Should Totally Move To (Greer)	Thrillist
The Coolest Small Cities in the U.S.	Thrillist
America's Best Small Cities on the Rise	Smarter Travel
Most romantic cities in the USA	Time Out
30 Most Charming Small-Town Downtowns in America	HGTV
<u>Eats</u>	
Best Place to Live	Money
Best US Cities for Biking	AAA
12 Spectacularly Scenic Waterfall Drives Across the U.S.	Fodor's
The Best Suburban Neighborhoods You Should Totally Move To (Greer)	Thrillist
The Coolest Small Cities in the U.S.	Thrillist
America's Best Small Cities on the Rise	Smarter Travel
Most romantic cities in the USA	Time Out
30 Most Charming Small-Town Downtowns in America	HGTV
<u>Travel</u>	
Fabulous Fall Festival In The Carolinas	Travel Awaits
Best Small Cities to Visit During the Fall in the Southern USA	Travel Mag
12 Lesser-Known Southern Destinations Our Editors Can't Wait To Visit In 2023	Southern Living
Best Free Things to Do in South Carolina	Lonely Planet
Best Places to Go for Fall	CNN Travel
Best destinations in the US to bring your dog	Lonely Planet
Top destinations in the world to see beautiful fall foliage without the crowds	The Points Guy
20 Affordable Family Vacations You Haven't Thought Of Before	Southern Living
101 Drivable Summer Vacation Destinations From Raleigh	Raleigh Magazine
The Best U.S. Small Towns to Visit by Train	Travel + Leisure
10 Best Places to Travel in September	AFAR
The 15 Best U.S. Small Towns for a Summer Vacation	Travel + Leisure
Best & Most Affordable Places to Travel in May	The Weather Channel
Best Places to Visit in May	The Points Guy
Best Places to Travel in May	Conde Nast Traveler
Best Urban Parks	Men's Journal
Best Places to Travel in May	Travel + Leisure
12 Best Spots to Go 'Plane-Spotting' Across the U.S.	Fodor's
Top Couples Vacations	U.S. News & World Report
Top Places to Go in the Southeast in 2022	Fodor's
The 50 Best Places to Travel in 2022	Travel + Leisure
22 of the Best Places You Should Travel to in the US for 2022	INSIDER
Fall Food Festivals Worth the Trip	SouthPark

Source: Visit Greenville SC www.visitgreenvillesc.com

GREENVILLE-SPARTANBURG AIRPORT DISTRICT UNEMPLOYMENT ANALYSIS



JUNE 30, 2022

Annual Average Unemployment Rate, 2013-2021

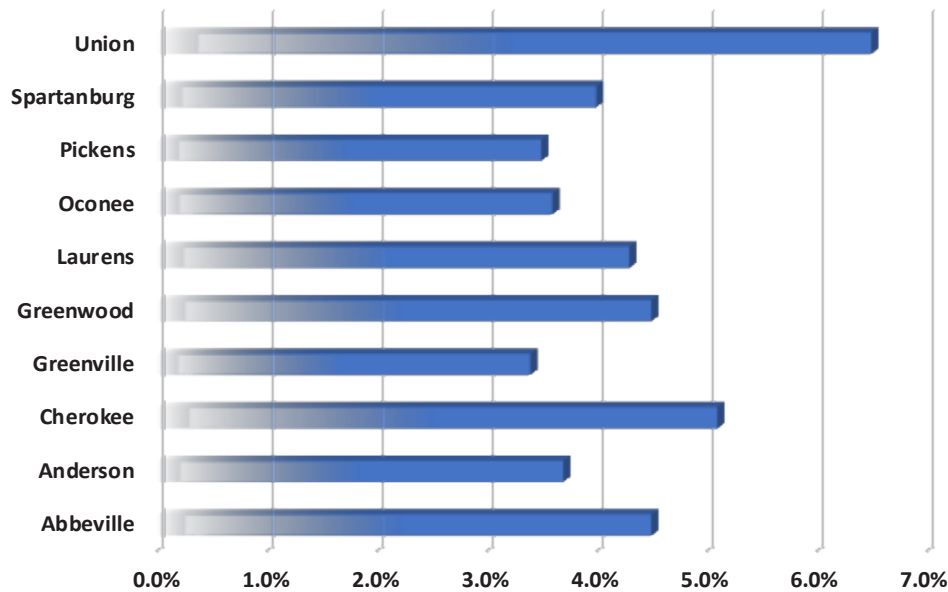
Upstate SC Counties / Upstate SC Region / US



UpstateSCAlliance
Business moves here.

COUNTY/REGION	2021	2020	2019	2018	2017	2016	2015	2014	2013
Abbeville	4.5%	6.6%	3.4%	4.0%	4.6%	5.5%	6.9%	7.7%	9.5%
Anderson	3.7%	5.9%	2.7%	3.4%	3.9%	4.6%	5.4%	6.0%	7.1%
Cherokee	5.1%	8.1%	3.1%	4.0%	4.9%	5.9%	7.1%	8.3%	10.5%
Greenville	3.4%	5.7%	2.4%	3.1%	3.7%	4.2%	4.9%	5.3%	6.1%
Greenwood	4.5%	6.4%	3.1%	3.6%	4.5%	5.2%	6.3%	6.9%	8.6%
Laurens	4.3%	6.9%	3.0%	3.6%	4.4%	5.2%	6.6%	7.1%	8.6%
Oconee	3.6%	5.4%	2.8%	3.5%	4.4%	5.1%	5.8%	6.3%	7.7%
Pickens	3.5%	5.3%	2.8%	3.5%	4.1%	5.0%	5.8%	6.3%	7.4%
Spartanburg	4.0%	6.6%	2.6%	3.3%	4.0%	4.7%	5.7%	6.3%	7.7%
Union	6.5%	9.0%	3.5%	4.1%	5.4%	6.2%	7.9%	8.6%	11.3%
Upstate Region	3.9%	6.1%	2.6%	3.3%	4.0%	4.7%	5.6%	6.1%	7.3%
South Carolina	4.0%	6.2%	2.9%	3.8%	4.3%	5.0%	6.0%	6.5%	7.6%
United States	5.3%	8.1%	3.7%	3.9%	4.3%	4.9%	5.3%	6.2%	7.5%

2021 UPSTATE UNEMPLOYMENT



Source: SC's Labor Force & Industry, 1990-1994, 1995-1999, SC Employment Security Commission (1990-1999 Data); SC Dept. of Employment & Workforce, (2000 – 2021 Data), and US Bureau of Labor Statistics (all US figures)

(1) Upstate Region - Area served by the Upstate Alliance, consisting of the individual counties listed.

Source: Upstate SC Alliance Online Data Center, U.S. Bureau of Labor Statistics

GREENVILLE-SPARTANBURG AIRPORT DISTRICT POPULATION ANALYSIS

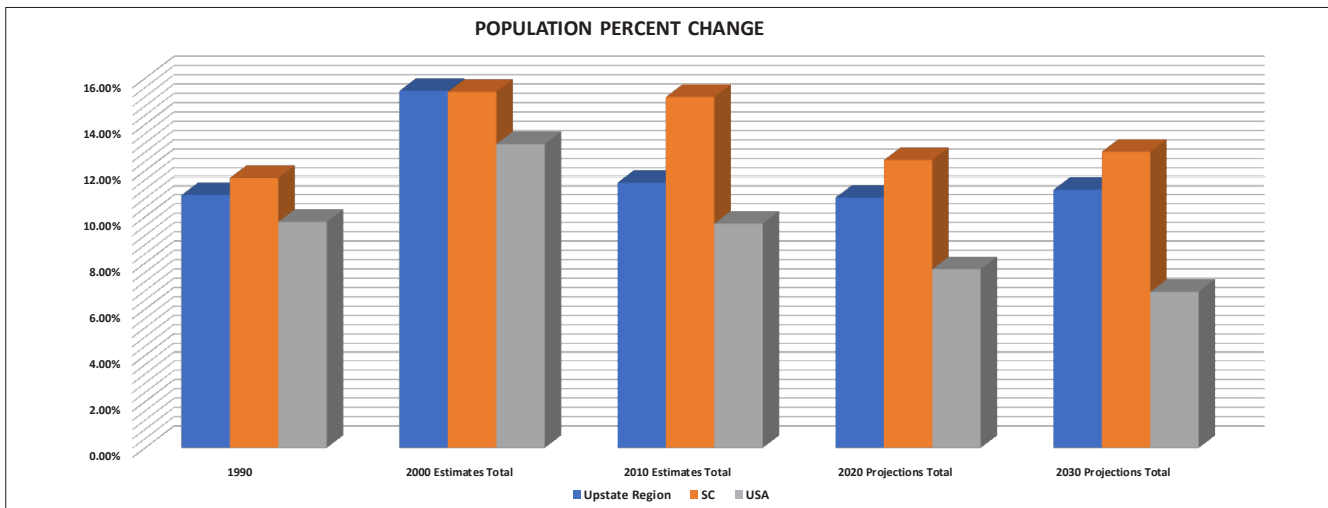


JUNE 30, 2022

Census Population Trends and Projections, 1980-2035
County / Upstate Region / State / US

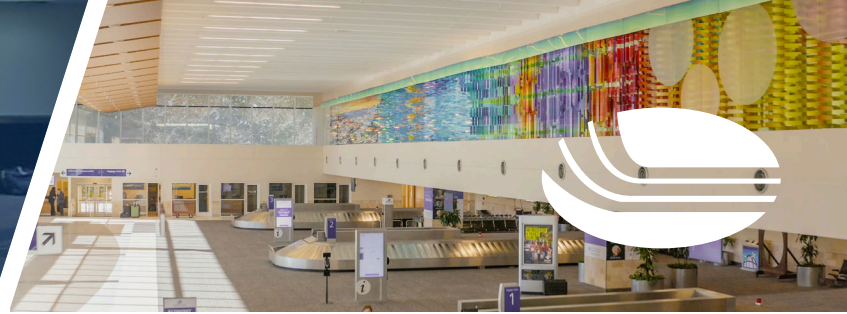


COUNTY/REGION	1980	1990	2000 Estimates Total	2005 Estimates Total	2010 Estimates Total	2015 Estimates Total	2020 Projections Total	2025 Projections Total	2030 Projections Total	2035 Projections Total
Abbeville	22,627	23,862	26,229	25,995	25,310	24,775	24,300	23,710	23,025	22,195
Anderson	133,235	145,196	166,304	175,467	187,109	193,743	204,570	214,715	224,750	234,420
Cherokee	40,983	44,506	52,649	53,772	55,535	56,511	57,360	57,960	58,315	58,350
Greenville	287,913	320,167	380,949	405,608	452,672	490,860	530,905	573,060	616,105	659,270
Greenwood	57,847	59,567	66,303	67,630	69,788	70,010	70,960	71,385	71,575	71,430
Laurens	52,214	58,092	69,428	67,629	66,526	66,474	67,135	67,415	67,420	67,055
Oconee	48,611	57,494	66,434	70,581	74,341	75,888	79,595	82,490	84,940	86,830
Pickens	79,292	93,894	111,062	114,344	119,322	121,521	126,595	131,255	135,865	139,525
Spartanburg	201,861	226,800	254,443	264,481	284,748	296,580	323,555	348,085	373,465	399,415
Union	30,751	30,337	29,971	29,241	28,929	27,736	27,115	26,370	25,605	24,705
Upstate Region	955,334	1,059,915	1,223,772	1,274,748	1,364,280	1,424,098	1,512,090	1,596,445	1,681,065	1,763,195
South Carolina	3,121,820	3,486,703	4,024,223	4,270,150	4,635,656	4,892,253	5,213,370	5,542,140	5,881,710	6,223,085
United States	226,545,805	248,709,873	281,421,906	295,516,599	308,745,538	320,742,673	332,639,000	344,234,000	355,101,000	364,862,000



Sources: For years prior to 2000, Decennial Census Population; Population estimates for 2000 and 2018 were calculated using the Bridged-race Intercensal Population Estimates for July 1, 2000 - July 1, 2009 and the Vintage 2018 Bridged-Race Postcensal Estimates for July 1, 2010 - July 1, 2018. These estimates were produced by the Population Estimates Program of the U.S. Census Bureau in collaboration with National Center for Health Statistics. Estimates for 2000 through 2018 from previous or future releases of the postcensal estimates will vary slightly from the 2000 through 2018 data in this table. For all years, the population is estimated for July 1st of that year. Estimates for 2000 and 2010 will not be equivalent to the April 1st decennial census count from Census 2000 and Census 2010. Population Projections for 2019 through 2035 were calculated by the S.C. Revenue and Fiscal Affairs Health and Demographics Section. Births and deaths data used in the population projections calculations was supplied by the SC DHEC Division of Biostatistics. Note: The projections included in this report were calculated using the cohort-component model of demographic change. This model uses a base population at a beginning date, applies assumed survival rates, fertility rates, and net migration to calculate population projections.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT TOP 20 EMPLOYERS AND TOP PUBLIC COMPANIES



JUNE 30, 2022

Top 20 Employers

2022	Employer	Employees*	Product or Service	U.S. Headquarters
1	Prisma Health - Upstate	16,337	Healthcare System	Greenville, SC
2	State of South Carolina	12,401	State Government	Columbia, SC
3	BMW Manufacturing Co. LLC	11,000	Automobile Manufacturer	Greer, SC
4	United States Government	9,720	Federal Government	Washington, DC
5	Spartanburg Regional Healthcare System	9,534	Healthcare System	Spartanburg, SC
6	Greenville County Schools	9,000	Public Education School District	Greenville, SC
7	Wal-Mart Stores, Inc.	8,750	Retail Stores & Distribution Facilities	Bentonville, AR
8	Michelin North America, Inc.	6,620	Tire Manufacturing Facility	Greenville, SC
9	Clemson University	5,698	Public Research University	Clemson, SC
10	Bon Secours St. Francis Health System	3,976	General Medical & Surgical Hospitals	Greenville, SC
11	Milliken & Company	3,788	Textiles Manufacturing, Floor Covering, & Specialty Chemicals	Spartanburg, SC
12	AnMed Health Medical Center	3,705	General Medical & Surgical Hospitals	Anderson, SC
13	GE Power	3,650	Power Generation, Energy Delivery & Water Process Technologies	Boston, MA
14	Self Regional Healthcare	2,754	Healthcare System	Greenwood, SC
15	Greenville County	2,750	County Government & Administration	Greenville, SC
16	ZF Transmissions Gray Court LLC	2,730	Manufactures Automatic Transmissions	Gray Court, SC
17	Ingles Markets	2,700	Grocery Stores	Black Mountain, NC
18	Publix Super Markets, Inc.	2,340	Grocery Stores	Lakeland, FL
19	Magna International	2,305	Automobile Manufacturer	Aurora, Canada
20	Robert Bosch, LLC	2,270	Manufactures Automotive Components	Farmington Hills, MI

* Ranked by Number of Employees in the Upstate area

Source: Upstate SC Alliance (www.upstatescalliance.com) and Partner Organizations

Top Public Companies

Company	Revenues (000s)	U.S. Headquarters
ScanSource	\$ 3,529,935	Greenville, SC
World Acceptance Corp.	\$ 582,388	Greenville, SC
Delta Apparel	\$ 436,750	Greenville, SC
Regional Management Corp.	\$ 428,351	Greer, SC
Denny's Corp.	\$ 398,174	Spartanburg, SC
Southern First Bancshares Inc.	\$ 110,268	Greenville, SC
Grandsouth Bancorporation	\$ 58,817	Greenville, SC
Oconee Federal Financial Corp.	\$ 18,050	Seneca, SC

Source: Upstate SC Alliance research; SEC.gov from most recently available Annual Report

GREENVILLE-SPARTANBURG AIRPORT DISTRICT HIGHER EDUCATION FALL ENROLLMENT

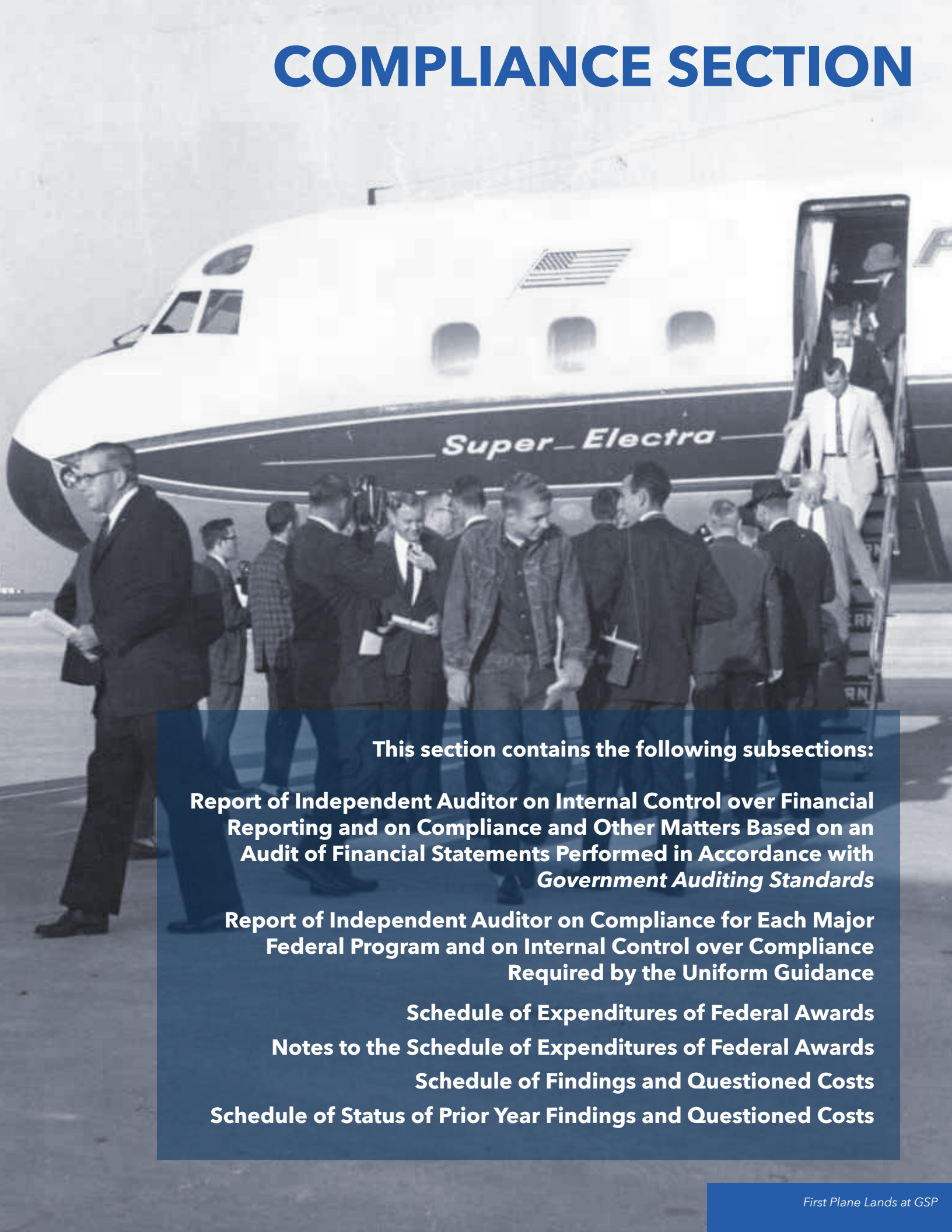


JUNE 30, 2022

Institution	Enrollment
Four Year	
Anderson University	3,990
Bob Jones University	3,107
Clemson University	27,301
Converse College	1,440
Erskine College	700
Furman University	2,459
Lander University	3,822
Limestone College	1,888
North Greenville University	2,257
Presbyterian College	1,229
Sherman College of Straight Chiropractic	394
Southern Wesleyan University	1,273
Strayer University - South Carolina	1,936
USC - Upstate	5,349
Wofford College	1,761
Two Year	
Greenville Technical College	9,706
Piedmont Technical College	4,454
Spartanburg Community College	6,097
Spartanburg Methodist College	1,040
Tri-County Technical College	5,458
University of South Carolina - Union	1,218
Total Enrollment	86,879

Source: SC Commission on Higher Education, Fall 2021 Enrollment

COMPLIANCE SECTION



This section contains the following subsections:

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

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Schedule of Status of Prior Year Findings and Questioned Costs

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

Independent Auditor's Report

To the Commissioners of
Greenville-Spartanburg Airport District
Greer, South Carolina

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 Greenville-Spartanburg Airport District (Airport), which comprise the Airport's statement of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2022, which contained an *Emphasis of Matter* paragraph for the Airport's implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

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 purpose 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a significant deficiency.

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*.

Airport's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Airport's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. 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.

FORVIS,LLP

Indianapolis, Indiana
November 9, 2022

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

To the Commissioners of
Greenville-Spartanburg Airport District
Greer, South Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Greenville-Spartanburg Airport District's (Airport) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended June 30, 2022. The Airport's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airport 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 June 30, 2022.

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

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 program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Airport's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Airport's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The Airport is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Airport's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

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

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

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

FORVIS,LLP

Indianapolis, Indiana
November 9, 2022

GREENVILLE-SPARTANBURG AIRPORT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

Project Number and Description (Notes 1 and 2)	CFDA Number	Total Project Costs Incurred		Total Federal Expenditures	Grant Status - Grant Funds Received from FAA		
		July 1, 2021 to June 30, 2022	Cumulative to June 30, 2022	July 1, 2021 to June 30, 2022	July 1, 2021 to June 30, 2022	Cumulative to June 30, 2022	Maximum Federal Participation
Department of Transportation - Federal Aviation Administration							
Grant No. 3-45-0028-53 Cargo Apron Expansion Design, Update Airport Master Plan, Rehabilitate Apron (5.6K SY-Phase4), ARFF Building Design, & Snow Removal Equipment	20.106	\$ -	\$ 4,397,912	\$ -	\$ -	\$ 3,378,381	\$ 4,138,888
Grant No. 3-45-0028-54 Cargo Apron Expansion	20.106	-	12,438,221	-	-	11,194,334	11,194,334
Grant No. 3-45-0028-55 Cargo Apron Expansion Phase II	20.106	-	6,732,671	-	618,805	6,059,404	6,337,551
Grant No. 3-45-0028-56 Acquire ARFF Vehicle & Construct ARFF Building	20.106	269	9,739,984	170	1,277,792	6,480,383	7,812,647
Grant No. 3-45-0028-57 Improve Runway & Taxiway, & Expand GA Development	20.106	438,044	4,080,731	438,044	1,799,065	4,017,963	4,159,248
COVID-19: Grant No. 3-45-0028-58 CARES Act	20.106	-	25,826,371	-	-	25,826,371	25,826,371
Grant No. 3-45-0028-59 Rehab Taxiways & Reconstruct Taxiway Connectors	20.106	9,219,117	9,219,117	9,219,117	5,392,390	5,392,390	10,698,643
COVID-19: Grant No. 3-45-0028-60 ACRGP	20.106	1,842	4,881,228	1,842	5,000	4,881,228	4,883,070
COVID-19: Grant No. 3-45-0028-61 ACRGP Concessions Relief	20.106	-	273,431	-	-	-	273,431
COVID-19: Grant No. 3-45-0028-62 ARPA	20.106	11,121,484	11,121,484	11,121,484	11,120,484	11,120,484	11,121,484
Total Airport Improvement Program		\$ 20,780,756	\$ 88,711,150	\$ 20,780,657	\$ 20,213,536	\$ 78,350,938	\$ 86,445,667



YEAR ENDED JUNE 30, 2022

Note 1—Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Greenville-Spartanburg Airport District (Airport) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Airport, it is not intended to and does not present the financial position, changes in net position or cash flows of the Airport.

Note 2—Grant Descriptions

The Greenville-Spartanburg Airport District (the “Airport”) and the Federal Aviation Administration (“FAA”) entered into the following agreements:

- a. Grant agreement dated August 1, 2017 (Project #3-45-0028-53) provides funds to expand the Cargo Apron, update Airport Master Plan Study, rehabilitate apron Phase IV, construct aircraft rescue and fire fighting building (design) and acquire snow removal equipment.
- b. Grant agreement dated July 23, 2018 (Project #3-45-0028-54) provides funds to complete expansion of the Cargo Apron (design and construction). Under the provisions of the grant agreement, the FAA is to reimburse the Airport 90% of the allowable Cargo Apron costs not to exceed \$11,194,334.
- c. Grant agreement dated September 21, 2018 (Project #3-45-0028-55) provides funds for phase 2 of the Cargo Apron expansion (design and construction). Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 90% of the allowable Cargo Apron costs not to exceed \$6,337,551.
- d. Grant agreement dated September 20, 2019, (Project #3-45-0028-56) provides funds to acquire an aircraft rescue and fire fighting vehicle as well as constructing an aircraft rescue and fire fighting building. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 90% of the allowable costs not to exceed \$7,812,647.
- e. Grant agreement dated July 8, 2020, (Project 3-45-0028-57) provides funds to improve runway safety areas, expand GA development and rehab the taxiway. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$4,159,248.
- f. Grant agreement dated May 1, 2020 (Project #3-45-0028-58) provides funds for operational or maintenance expenses or debt service payments due to decreased operations from COVID-19. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$25,826,371.
- g. Grant agreement dated August 31, 2021 (Project #3-45-0028-59) provides funds to rehabilitate taxiways as well as reconstruct taxiway connectors. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$10,698,643.
- h. Grant agreement dated April 2, 2021 (Project #3-45-0028-60) provides funds for operational or maintenance expenses or debt service payments due to decreased operations from COVID-19. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$4,883,070.
- i. Grant agreement dated April 5, 2021 (Project #3-45-0028-61) provides relief from rent and minimum annual guarantees (MAG) obligations to each eligible airport concession. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$273,431.

- j. Grant agreement dated August 13, 2021 (Project #3-45-0028-62) provides funds for operational expenses or debt service payments due to decreased operations from COVID-19. Under the provisions of the grant agreement, the FAA is to reimburse the Airport for 100% of the allowable costs not to exceed \$11,121,484.

Note 3—Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 4—Indirect Cost Rate

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

Note 5—Subrecipients

The Airport did not have any grant subrecipients during the fiscal year.

Note 6—Status of Projects

As of June 30, 2021, the following projects were open:

- | | |
|-------------------------|-------------------------|
| • Project #3-45-0028-53 | • Project #3-45-0028-58 |
| • Project #3-45-0028-54 | • Project #3-45-0028-59 |
| • Project #3-45-0028-55 | • Project #3-45-0028-60 |
| • Project #3-45-0028-56 | • Project #3-45-0028-61 |
| • Project #3-45-0028-57 | • Project #3-45-0028-62 |

* * * * *

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No
 Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

3. Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

4. Internal control over major federal award programs:

Material weakness(es) identified? ☐ Yes ☒ No
 Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

5. Type of auditor’s report issued on compliance for major federal award program(s):

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ Yes ☐ No

7. Identification of major federal programs:

Cluster/Program	CFDA Number
Airport Improvement Program	20.106

8. Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

9. Auditee qualified as a low-risk auditee?


☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
2022-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The Airport's internal control environment over financial reporting did not detect certain adjustments that were needed to prevent the financial statements from being misstated. These adjustments related to recording a grant receivable and revenue for expenditures incurred as of year-end, adjustment to true up inventory, and adjustment to lease receivable and deferred inflow related to adoption of GASB 87. (Significant Deficiency)</p> <p>Context: The Airport's Finance Department is primarily responsible for the financial reporting process. Certain adjustments were not identified by management in a timely manner as a result of delays in accumulating information for adoption of GASB 87 and in reviewing reconciliations.</p> <p>Effect: Misstatements in the financial statements. Audit procedures detected adjustments necessary which impacted receivables and capital grants revenue by approximately \$871,000, inventory and cost of goods sold by approximately \$352,000, and leases receivable and deferred inflow by approximately \$397,000 as of year-end.</p> <p>Cause: The Airport's internal control environment did not identify these adjustments in a timely manner due to there not being a timely secondary review at year end.</p> <p>Recommendation: The Airport should establish and maintain an effective secondary review process over financial reporting.</p> <p>Views of Responsible Officials and Planned Corrective Action: Effective by June 30, 2023, there will be a delineation between the preparer and reviewer of reconciliations so there is always an objective review to ensure all adjustments have been identified and recorded. The hiring of at least one additional finance staff, which is currently budgeted, will allow for a more thorough review of year end reconciliations. The Chief Financial Officer and Senior Manager - Finance are responsible for ensuring this new practice is operating effectively.</p>

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2022-002	<p>Federal Program Name: Airport Improvement Program</p> <p>Federal Agency: U.S Department of Transportation</p> <p>Federal Assistance Listing Title and Number: Airport Improvement Program - 20.106</p> <p>Award Year: July 1, 2021 - June 30, 2022</p> <p>Criteria or Specific Requirement: Reporting</p> <p>Condition: The SF 270/271 report was not completed or filed for two grants that require it to be completed annually. (Non-Compliance)</p> <p>Questioned Costs: None.</p> <p>Context: During reporting testing, two of the grants required SF 270/271 reports to be filed, which neither were done in the current year resulting in a 100% error.</p> <p>Effect: Reports were not timely filed with the Federal Aviation Administration.</p> <p>Cause: Reports were not completed as required per the grant.</p> <p>Repeat Finding: No</p> <p>Recommendation: We recommend that the Airport review their controls over this compliance requirement to ensure that they are properly completing and filing all required reports for each grant.</p> <p>Views of Responsible Officials and Planned Corrective Action: Effective immediately, the Airport will follow all compliance reporting obligations per the letter of the grant rather than depend on the Federal Aviation Administration personnel counsel as Accounting was told that this particular report was not needed annually. The Senior Manager - Finance will be responsible for ensuring these reports are filed annually.</p>



GREENVILLE-SPARTANBURG AIRPORT DISTRICT SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

Reference Number	Summary of Finding	Status
2021-001	The Airport's internal control environment over financial reporting did not detect certain adjustments that were needed to prevent the financial statements from being misstated. These adjustments related to recording a contribution for capital received, depreciation adjustment, cutoff associated with accounts payable and a correction to the payroll accrual.	Unresolved. See 2022-001



The Greenville-Spartanburg International Airport Museum provides a detailed look at GSP from the founders' vision in the 1950's to the present day and on to an exciting future through 2040 and beyond. The exhibits feature rarely seen photos, videos, and first-hand accounts of the airport's growth and its introduction of many aviation innovations that are now considered common at airports across the globe. The museum is located near the MAG Escape Lounge in GSP's Grand Hall and is open to all departing and arriving passengers at GSP 24 hours a day.



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