

PEACHTREE CITY AIRPORT AUTHORITY
(A Component Unit of the City of Peachtree City, Georgia)

FINANCIAL STATEMENTS

September 30, 2021 and 2020

(With Independent Auditor's Report Thereon)

PEACHTREE CITY AIRPORT AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Peachtree City Airport Authority
Peachtree City, GA

We have audited the accompanying financial statements of the Peachtree City Airport Authority ("Authority"), a component unit of the City of Peachtree City, Georgia, as of and for the years ended September 30, 2021 and 2020 and the related notes to the financial statements which collectively comprise the Authority's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Peachtree City Airport Authority, as of September 30, 2021 and 2020 and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the Peachtree City Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Peachtree City Airport Authority'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 Peachtree City Airport Authority's internal control over financial reporting and compliance.

Two & Leg LLC

Morrow, Georgia
December 21, 2021

PEACHTREE CITY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Our discussion and analysis of the Peachtree City Airport Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the year ended September 30, 2021. Please read it in conjunction with the Authority's financial statements which begin on page 7.

Financial Highlights

- The Authority's total current assets increased by \$170,455.
- The Authority's capital assets, net of accumulated depreciation, decreased by \$466,515.
- The Authority's total liabilities increased by \$16,472.
- The Authority's operating revenues increased by \$568,093.
- The Authority's operating expenses before depreciation increased by \$474,177.
- The Authority's net position as of September 30, 2021 is \$22,523,058.

USING THIS ANNUAL REPORT

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

This annual report consists of management's discussion and analysis and the financial statements. The financial statements include the statements of net position; the statements of revenues, expenses, and changes in net assets; and the statements of cash flows. In addition, the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes begin on page 11.

FINANCIAL ANALYSIS

Table 1 provides a summary of the Authority's financial position for 2021 compared to 2020:

Table 1
Financial position as of September 30

Assets		
	<u>2021</u>	<u>2020</u>
Current assets	\$ 1,962,767	\$ 1,792,312
Restricted assets	79,862	75,083
Capital assets, net of accumulated depreciation	<u>20,880,371</u>	<u>21,346,886</u>
Total assets	<u>\$ 22,923,000</u>	<u>\$ 23,214,281</u>
Liabilities and Net Position		
Total liabilities	\$ <u>399,942</u>	\$ <u>383,470</u>
Net position		
Invested in capital assets, net of related debt	\$ 20,768,482	\$ 21,198,170
Restricted	79,862	75,083
Unrestricted	<u>1,674,714</u>	<u>1,557,558</u>
Total net position	<u>\$ 22,523,058</u>	<u>\$ 22,830,811</u>

PEACHTREE CITY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Table 2 provides a summary of the Authority's Changes in Net Position for 2021 compared to 2020:

Table 2
Changes in Net Position for Years Ended September 30

	<u>2021</u>	<u>2020</u>
Operating revenues		
Sales	\$ 2,139,392	\$ 1,681,643
Rental income	769,586	700,893
Rental car commissions	2,000	1,660
Miscellaneous revenue	<u>70,891</u>	<u>29,580</u>
Total operating revenues	<u>2,981,869</u>	<u>2,413,776</u>
Operating expenses		
Purchases	1,399,781	1,069,480
Salaries and benefits	597,365	602,568
Utilities and telephone	113,054	109,613
Insurance	61,397	54,111
Terminal and grounds upkeep	101,602	105,516
Bank fees and credit card processing fees	57,358	42,143
Professional fees	58,540	61,614
Other	<u>217,154</u>	<u>87,029</u>
Total operating expenses before depreciation	<u>2,606,251</u>	<u>2,132,074</u>
Operating income before depreciation	375,618	281,702
Depreciation expense	(809,900)	(787,085)
Summarized nonoperating revenues (expenses)	<u>15,379</u>	<u>63,293</u>
Operating loss before capital contributions	(418,903)	(442,090)
Capital contributions – federal and state	<u>111,150</u>	<u>130,605</u>
Net change in net position	(307,753)	(311,485)
Net position, beginning of year	<u>22,830,811</u>	<u>23,142,296</u>
Net position, end of year	<u>\$ 22,523,058</u>	<u>\$ 22,830,811</u>

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Authority experienced a loss decrease from operations in the amount of \$71,101 in 2021 under the previous year. This was due to a increase in the sales of fuel and lease revenue. Lease revenue increased by \$68,693 while fuel sales increased by \$458,012.

PEACHTREE CITY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Table 3 provides a summary of the Authority's Capital Assets for 2021 compared to 2020:

Table 3
Capital Assets as of September 30

	<u>2021</u>	<u>2020</u>
Land	\$ 7,754,639	\$ 7,754,639
Construction in progress	696,468	588,103
Land improvements	23,394,810	23,266,412
Building and improvements	7,833,615	7,812,915
Furniture, equipment and vehicles	<u>819,572</u>	<u>781,993</u>
Total	40,499,104	40,204,062
Less accumulated depreciation	<u>(19,618,733)</u>	<u>(18,857,176)</u>
Capital assets, net of accumulated depreciation	\$ <u>20,880,371</u>	\$ <u>21,346,886</u>

CURRENT STATUS

Peachtree City Airport Authority operates an active and growing state classified Level III general aviation airport serving business and charter jet traffic in the south Atlanta metro area. The Airport serves business communities in Peachtree City and the surrounding region, as well as many recreational aviation enthusiasts. The 5,768 foot runway can accommodate aircrafts up to 60,000 pounds and is capable of handling large corporate aircraft. The Authority also serves as the fixed base operator (FBO) providing numerous customer service amenities and is considered one of the premier airports in the Southeast. Atlanta Regional Airport - Falcon Field is located at 7 Falcon Drive in Peachtree City's Industrial Park.

Mission Statement:

"To be the premier regional airport serving the metro Atlanta area providing superior services and facilities with competitive pricing."

Management Objectives:

1. Operate the airport in a professional and safe manner through sound business practices that assure financial strength;
2. Sustain an acceptable mix of general and corporate aviation with outstanding facilities, premier services, and competitive prices; and
3. Create an attractive gateway to Peachtree City, Fayette County, and the region to promote tourism and sustained economic development.

The airport is "film friendly" and continues to be a location for a number of productions as well as supporting the film industry as a gateway to numerous local studios. Fayette County, although frequently recognized for its many niceties, has recently risen to the top of the charts for its association with major motion pictures and television shows. Labeled as the "Hollywood of the South," Fayette County has a growing roster of film-friendly locations.

PEACHTREE CITY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Atlanta Regional Airport-Falcon Field offers reasonable daily rates, can accommodate a variety of staging needs, and is also located just 15 minutes from Trilith Studios, one of the world's largest sound stages and production studios.

Construction Projects:

An additional two hangars have been constructed in Area "C" for a total now of four hangars. These all have a ground lease with private funding. The Airport has made more infrastructure improvements to the area and are still planning to relocate the security fence there as well.

The Airport has developed and is implementing a five (5) year capital improvement program, which is approved by the FAA and Georgia Department of Transportation. Future improvements include, but are not limited to, completing the on and off-airport clearing projects, easement acquisitions and right-of-way for off-airport clearing, install security fencing, Runway 31 Extension, approach lighting upgrade, and Terminal Apron and auto parking expansion.

The Authority continues to secure funding through the Federal Aviation Administration (FAA) and the Georgia Department of Transportation (GDOT) for aviation-related capital improvement projects. These capital improvements are depicted on the Airport Layout Plan (ALP), which was updated and approved by the FAA in 2009 and is currently under review to be updated in 2022. The ALP depicts Areas B, C, E and other defined parcels that show new hangar development and other capital improvements.

Corporate and private hangar development, with expansion of commercial aeronautical services, will provide the Authority with additional and future revenue enhancement opportunities as well as additional ad valorem (property) taxes to Fayette County for hangars and aircraft.

Contacting the Peachtree City Airport Authority

This report is to provide a general overview of the Authority's finances and to show the Authority's accountability for the funding it receives for those with interest in this information. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chairman of the Peachtree City Airport Authority, 7 Falcon Drive, Peachtree City, GA 30269 or by calling (770) 487-2225 during normal office hours Monday through Friday.

PEACHTREE CITY AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
AS OF SEPTEMBER 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,821,735	\$ 1,702,119
Accounts receivable	41,643	14,120
Inventories	77,780	56,055
Prepaid expenses	<u>21,609</u>	<u>20,018</u>
TOTAL CURRENT ASSETS	1,962,767	1,792,312
RESTRICTED ASSETS		
Cash and cash equivalents	23,211	26,232
Receivables from governmental units	<u>56,651</u>	<u>48,851</u>
TOTAL RESTRICTED ASSETS	79,862	75,083
CAPITAL ASSETS, NET	<u>20,880,371</u>	<u>21,346,886</u>
TOTAL ASSETS	\$ <u>22,923,000</u>	\$ <u>23,214,281</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable - operations	\$ 112,000	\$ 75,163
Accounts payable - construction	80,981	34,801
Accrued liabilities	41,273	57,833
Accrued interest payable - note	371	492
Current portion of note payable	38,259	36,739
Unearned revenue	28,354	38,772
Miscellaneous current liabilities	<u>14,374</u>	<u>17,193</u>
TOTAL CURRENT LIABILITIES	315,612	260,993
LONG-TERM LIABILITIES		
Note payable, net of current portion	73,630	111,977
Deposits	<u>10,700</u>	<u>10,500</u>
TOTAL LONG-TERM LIABILITIES	84,330	122,477
TOTAL LIABILITIES	<u>399,942</u>	<u>383,470</u>
NET POSITION		
Invested in capital assets, net of related debt	20,768,482	21,198,170
Restricted	79,862	75,083
Unrestricted	<u>1,674,714</u>	<u>1,557,558</u>
TOTAL NET POSITION	<u>22,523,058</u>	<u>22,830,811</u>

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

PEACHTREE CITY AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Sales - fuel	\$ 2,136,069	\$ 1,678,057
Sales - other	3,323	3,586
Rental income	769,586	700,893
Rental car commissions	2,000	1,660
Miscellaneous revenue	<u>70,891</u>	<u>29,580</u>
TOTAL OPERATING REVENUES	2,981,869	2,413,776
OPERATING EXPENSES		
Purchases	1,399,781	1,069,480
Salaries and benefits	597,365	602,568
Airport promotions	9,812	9,772
Bank fees and credit card processing fees	57,358	42,143
Fuel truck rental	33,400	28,500
Insurance	61,397	54,111
Miscellaneous	145,912	27,147
Office expenses	17,622	14,430
Professional fees	58,540	61,614
Terminal and grounds upkeep	101,602	105,516
Utilities and telephone	113,054	109,613
Vehicle expense	<u>10,408</u>	<u>7,180</u>
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	<u>2,606,251</u>	<u>2,132,074</u>
OPERATING INCOME BEFORE DEPRECIATION	375,618	281,702
Depreciation	<u>(809,900)</u>	<u>(787,085)</u>
OPERATING LOSS	(434,282)	(505,383)
NONOPERATING REVENUES (EXPENSES)		
Economic support for development	63,750	73,950
Interest expense	(5,694)	(6,685)
Loss on disposal of capital assets	<u>(42,677)</u>	<u>(3,972)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>15,379</u>	<u>63,293</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(418,903)	(442,090)
FEDERAL AND STATE CAPITAL CONTRIBUTIONS	<u>111,150</u>	<u>130,605</u>
NET CHANGE IN NET POSITION	(307,753)	(311,485)
NET POSITION— Beginning of year	<u>22,830,811</u>	<u>23,142,296</u>
NET POSITION – End of year	<u>\$ 22,523,058</u>	<u>\$ 22,830,811</u>

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

PEACHTREE CITY AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING REVENUES:		
Cash received from customers and tenants	\$ 3,683,137	\$ 3,272,925
Cash received from special events	70,891	29,580
Cash paid to suppliers	(2,766,379)	(2,299,339)
Cash paid to employees for services	<u>(612,953)</u>	<u>(621,658)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	374,696	381,508
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from economic support for development	63,750	73,950
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on capital and operating debt	(36,827)	(35,345)
Interest paid on capital and operating debt	(5,815)	(6,804)
Payments for capital assets	(382,559)	(549,499)
Capital contributions received	<u>103,350</u>	<u>149,419</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(321,851)</u>	<u>(442,229)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	116,595	13,229
CASH AND CASH EQUIVALENTS – Beginning of year	<u>1,728,351</u>	<u>1,715,122</u>
CASH AND CASH EQUIVALENTS – End of year	\$ <u>1,844,946</u>	\$ <u>1,728,351</u>
UNRESTRICTED CASH AND CASH EQUIVALENTS	1,821,735	1,702,119
RESTRICTED CASH AND CASH EQUIVALENTS	<u>23,211</u>	<u>26,232</u>
	\$ <u>1,844,946</u>	\$ <u>1,728,351</u>

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

PEACHTREE CITY AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (434,282)	\$ (505,383)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	809,900	787,085
Loss on disposal of assets	42,677	-
(Increase) decrease in net assets:		
Accounts receivable	(27,523)	62,558
Inventories	(21,725)	22,678
Prepaid expenses	(1,591)	(5,133)
(Decrease) increase in net liabilities:		
Accounts payable and accrued liabilities	17,458	(19,383)
Unearned revenue	(10,418)	31,481
Deposits	<u>200</u>	<u>7,605</u>
Net cash provided by operating activities	\$ <u>374,696</u>	\$ <u>381,508</u>

SUPPLEMENTAL DISCLOSURES OF INVESTING AND FINANCING ACTIVITIES

During the years ended September 30, 2021 and 2020, capital assets in the amount of \$80,981 and \$34,801, respectively, were acquired through accounts payable - construction.

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

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND PURPOSE

The Peachtree City Airport Authority (the "Authority") was created by the General Assembly of the State of Georgia on March 26, 1984, as a public body, corporate and politic. The purpose of the Authority is to acquire, construct, equip, maintain, operate, own, lease, protect and improve the existing Atlanta Regional Airport, Falcon Field in Peachtree City, Georgia, and to promote trade, commerce, industry and employment opportunities. On September 20, 1988, the Authority became the owner of Falcon Field Airport in Peachtree City, Georgia. The Authority is necessary and essential to ensure the welfare, safety and convenience of citizens of the State of Georgia and City of Peachtree City, and to ensure the proper economic development of said State and City.

2. REPORTING ENTITY

The accompanying financial statements report on the financial activities of the Peachtree City Airport Authority. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

The City appoints all board members of the Authority and is able to impose its will upon the Authority. Therefore, the Authority is considered a component unit of the City of Peachtree City. The Authority and the City of Peachtree City have entered into agreements whereby the City makes periodic payments to the Authority to operate and maintain its airport facilities.

There are no entities that are considered to be component units of the Authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted as they are needed.

Basis of presentation

The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. Under these standards, the Authority follows the reporting requirements for special purpose governments involved in business-type activities, which provide an entity-wide perspective in the financial statement presentation. These standards require presentation of management's discussion and analysis as required supplementary information and presentation of statements of net position; revenues, expenses, and changes in net position using a specified format, which distinguishes between operating and non-operating revenues and expenses; and cash flows using the direct method.

Operating revenues generally result from the sale of fuel, car rentals, and leasing hangar space. Operating expenses include costs of maintaining and promoting the airport facilities, including administrative expenses and depreciation. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses or capital contributions.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and cash equivalents

The Authority defines cash and cash equivalents as all cash in checking and savings accounts, money on-hand, and all highly liquid short-term debt instruments purchased with a maturity of 90 days or less.

Accounts receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Amounts due from customers are considered past due after 30 days. Interest is accrued monthly and recognized as income on balances past due. The Authority uses the allowance method to determine uncollectible accounts receivable. The allowance is based on management's analysis of specific accounts. No allowance was considered necessary as of September 30, 2021 and 2020.

Inventories

Inventories are valued at the weighted average cost using the first-in, first-out method and consist primarily of Jet-A and AvGas fuel.

Fair value of financial instruments:

The carrying value of cash and cash equivalents, accounts receivables, and accounts payable approximates fair value due to the short maturity of the financial instruments. The carrying value of short and long-term debt approximates fair value based on discounting the projected cash flows using market rates available for similar maturities.

Capital Assets

Capital assets purchased by the Authority are stated at historical cost. Assets acquired by gift are recorded at their fair market value on the date of transfer. Depreciation is computed over the estimated useful lives using the straight-line method of depreciation. Maintenance and repairs are charged to expense as incurred, whereas major renewals and betterments are capitalized. When items of property or equipment are sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in net income.

The estimated lives by general classification are as follows:

Land improvements	15 - 40 years
Buildings and improvements	15 - 30 years
Furniture, equipment, and vehicles	3 - 20 years

Interest is capitalized on constructed fixed assets during the period of construction if it is material. No interest was capitalized during the years ended September 30, 2021 and 2020.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position

The Authority recognizes the difference between its assets and liabilities as net position. Net position categories for the Authority include the following:

Invested in capital assets, net of related debt - comprised of the Authority's capital assets less any related outstanding debt used to acquire those assets.

Restricted - the remaining balance of unspent grant revenues and receivables from grants. These funds are restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

Unrestricted - the remaining balance of net position.

Advertising

The Authority expenses advertising as incurred. Advertising expense was \$9,812 and \$9,772 for the years ended September 30, 2021 and 2020, respectively.

Impairment of Long-Lived Assets

The Authority reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended September 30, 2021 and 2020.

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 and liabilities and 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. Accordingly, actual results could differ from those estimates.

Accounting Pronouncements to be Adopted

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The standard is effective for fiscal years that begin subsequent to June 15, 2021. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted.

4. CASH AND CUSTODIAL CREDIT RISK

Cash consists of cash on hand and on deposit in a checking account with a local commercial bank. At September 30, 2021, the carrying amount of the Authority's cash was \$1,844,946 and the bank balance was \$1,857,699. All of the bank balance was covered by federal depository insurance or by collateral held by the Authority's custodial bank in the Authority's name. Restricted cash consists of

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

4. CASH AND CUSTODIAL CREDIT RISK- Continued

grant funds and funds restricted for the Veterans Memorial. The Authority does not have a deposit policy for custodial credit risk, which is the risk that in the event of bank failure, the government's cash deposits may not be returned to it.

4. INVENTORIES

The components of inventories are as follows as of September 30:

	<u>2021</u>	<u>2020</u>
Jet-A fuel	\$ 30,935	\$ 24,253
AvGas fuel	45,602	30,125
Aircraft oil	906	1,206
Pilot supplies and charts	<u>337</u>	<u>471</u>
	<u>\$ 77,780</u>	<u>\$ 56,055</u>

6. CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2021, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Non-depreciable assets:				
Land	\$ 7,754,639	\$ -	\$ -	\$ 7,754,639
Construction in progress	<u>588,103</u>	<u>214,993</u>	<u>(106,628)</u>	<u>696,468</u>
Total non-depreciable assets	<u>8,342,742</u>	<u>214,993</u>	<u>(106,628)</u>	<u>8,451,107</u>
Other capital assets:				
Land improvements	23,266,412	128,398	-	23,394,810
Buildings and improvements	7,812,915	21,617	(917)	7,833,615
Furniture, equipment, vehicles	<u>781,993</u>	<u>88,785</u>	<u>(51,206)</u>	<u>819,572</u>
Total other capital assets	<u>31,861,320</u>	<u>238,800</u>	<u>(52,123)</u>	<u>32,047,997</u>
Less accumulated depreciation for:				
Land improvements	(13,386,073)	(457,805)	-	(13,843,878)
Buildings and improvements	(5,043,063)	(284,174)	275	(5,326,962)
Furniture, equipment, vehicles	<u>(428,040)</u>	<u>(67,921)</u>	<u>48,068</u>	<u>(447,893)</u>
Total accumulated depreciation	<u>(18,857,176)</u>	<u>(809,900)</u>	<u>48,343</u>	<u>(19,618,733)</u>
Other capital assets, net	<u>13,004,144</u>	<u>(571,100)</u>	<u>(3,780)</u>	<u>12,429,264</u>
Capital assets, net	<u>\$ 21,346,886</u>	<u>\$ (356,107)</u>	<u>\$ (110,408)</u>	<u>\$ 20,880,371</u>

Depreciation expense charged to operations was \$809,900 for the year ended September 30, 2021. As of September 30, 2021, there are no current outstanding contracts for construction.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

6. CAPITAL ASSETS – Continued

A summary of changes in capital assets for the year ended September 30, 2020, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Non-depreciable assets:				
Land	\$ 7,754,639	\$ -	\$ -	\$ 7,754,639
Construction in progress	309,174	290,629	(11,700)	588,103
Total non-depreciable assets	<u>8,063,813</u>	<u>290,629</u>	<u>(11,700)</u>	<u>8,342,742</u>
Others capital assets:				
Land improvements	23,228,737	37,675	-	23,266,412
Buildings and improvements	7,772,024	40,891	-	7,812,915
Furniture, equipment, vehicles	643,389	149,240	(10,636)	781,993
Total other capital assets	<u>31,644,150</u>	<u>227,806</u>	<u>(10,636)</u>	<u>31,861,320</u>
Less accumulated depreciation for:				
Land improvements	(12,942,240)	(443,833)	-	(13,386,073)
Buildings and improvements	(4,761,400)	(281,663)	-	(5,043,063)
Furniture, equipment, vehicles	(373,115)	(61,589)	6,664	(428,040)
Total accumulated depreciation	<u>(18,076,755)</u>	<u>(787,085)</u>	<u>6,664</u>	<u>(18,857,176)</u>
Other capital assets, net	<u>13,567,395</u>	<u>(559,279)</u>	<u>(3,972)</u>	<u>13,004,144</u>
Capital assets, net	<u>\$ 21,631,208</u>	<u>\$ (268,650)</u>	<u>\$ (15,672)</u>	<u>\$ 21,346,886</u>

Depreciation expense charged to operations was \$787,085 for the year ended September 30, 2020.

7. NOTE PAYABLE

Note payable consist of the following at September 30, 2021 and 2020:

	2021	2020
Bank of North Georgia:		
\$472,688 note dated July 10, 2009, with interest at 4%. Payments are \$3,512 per month, and the maturity date is 07/15/2024.		
This note is unsecured.	\$ 111,889	\$ 148,716
Less current maturities	<u>(38,259)</u>	<u>(36,739)</u>
	<u>\$ 73,630</u>	<u>\$ 111,977</u>

Debt service requirements for the next 5 years and in the aggregate are as follows:

Year	Principal	Interest
2022	38,257	3,858
2023	39,837	2,278
2024	33,795	644
Total	<u>\$ 111,889</u>	<u>\$ 6,780</u>

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

7. NOTE PAYABLE – Continued

	Beginning Balance	Additions	Reductions	Ending Balance
Notes payable	148,716	-	(36,827)	111,889
Total debt	148,716	-	(36,827)	111,889

8. RENTS UNDER OPERATING LEASES

The Authority has long-term operating lease agreements with lessees to occupy private hangar space. Some of the hangars are built and owned by tenants, who are only leasing the land. There are also several "Through the Fence" agreements, which lease access to the airport areas. All T-Hangar (except area C), Port-a-Port, Tie Downs, Shade Ports and FBO hangar rentals are on 1 year or less rental agreements, and are not included below. The projections of the non-cancelable future minimum rentals under leases that have remaining terms in excess of 1 year are as follows:

<u>September 30</u>	<u>Amount</u>
2022	\$ 259,643
2023	255,673
2024	234,125
2025	224,205
2026	224,205
Thereafter	2,027,797
Total	<u>\$ 3,225,648</u>

9. PENSION CONTRIBUTIONS

The Authority adopted a Savings Incentive Match Plan for Employees (SIMPLE) on April 1, 2007, whereby up to 3% of a participating employee's salary contributed to the SIMPLE Plan is matched by the Authority, with a maximum match of \$11,500. The Authority contributed \$8,945 and \$8,181 for the years ended September 30, 2021 and 2020, respectively.

10. GRANTS, COMMITMENTS AND CONTINGENCIES

Revenue by grant for the years ended September 30, 2021 and 2020, is as follows:

	2021 Federal Revenue	2021 State Revenue	2021 Totals	2020 Totals
State Grant No. 28	\$ -	\$ -	\$ -	\$ 61,605
State Grant No. 30	105,300	5,850	111,150	-
Totals	<u>\$ 105,300</u>	<u>\$ 5,850</u>	<u>\$ 111,150</u>	<u>\$ 61,605</u>

State Grant No. 28:

In 2018, a grant was awarded to the Authority for an environmental assessment for obstruction clearing. The project contains \$73,383 of federal funds and \$65,262 of state funds with a local share of the costs being \$4,497.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

10. GRANTS, COMMITMENTS AND CONTINGENCIES Continued

State Grant No. 30:

In 2021, a grant was awarded to the Authority for engineering design services for obstruction clearing. The project contains \$109,103 of federal funds, \$10,561 of state funds with a local share of the costs being \$10,561.

11. RISK MANAGEMENT

The PTCAA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The PTCAA has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the PTCAA is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The PTCAA is also to allow the pools' agent and attorneys to represent the PTCAA in investigation, settlement discussions and all levels of litigation arising out of any claim made against the PTCAA within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxes against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

12. CONCENTRATION OF CREDIT RISK

The Authority received approximately 98% of its total revenue from fuel sales and hangar rentals to customers and pilots during the year ended September 30, 2021. The Authority received approximately 98% of its total revenue from fuel sales and hangar rentals to customers and during the year ended September 30, 2020. A downturn in the economy could adversely affect fuel sales and hangar rentals used for its basic operations. The Authority is not economically dependent upon federal or state grants.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

13. SIGNIFICANT VENDORS

A significant vendor is defined as one from whom at least 10% of purchases is derived. For the year ended September 30, 2021, the Authority made purchases from two vendors in the amount of \$1,458,361, which comprised approximately 46% of the total purchases for the year then ended. As of September 30, 2021, the balances due to the vendors was \$69,741, and is included in accounts payable - operations on the accompanying statements of net assets.

For the year ended September 30, 2020, the Authority made purchases from a vendor in the amount of \$1,091,597, which comprised approximately 37% of the total purchases for the year then ended. As of September 30, 2020, the balances due to this vendor was \$34,699, and is included in accounts payable - operations on the accompanying statements of net assets.

All purchases were related to fuel.

14. INTERGOVERNMENTAL AND RELATED PARTY TRANSACTIONS

On December 13, 2012, the Authority entered into an agreement with The City of Peachtree City. In accordance with the agreement, The City of Peachtree City will provide economic support to the Authority in connection with its operation of the airport, thereby assisting the Authority in its efforts to provide economic development and in the operation of the airport. The agreement provides for the Authority to receive a flat monthly rate as described in the table below:

<u>Year</u>	<u>Monthly Allocation</u>
1	\$ 8,500
2	8,500
3	8,500
4	7,650
5	7,650
6	6,800
7	6,800
8	5,950
9	5,100
10	4,250

The agreement shall remain in effect for a period of 10 years. The Authority recorded revenue from this agreement of \$63,750 and \$73,950, respectively, for the years ended September 30, 2021 and 2020.

15. CLAIMS AND JUDGMENTS

The Authority is the recipient of Federal, State, and Local grants. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the grant program regulations, the Authority may be required to reimburse the grantor government.

PEACHTREE CITY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

16. SUBSEQUENT EVENTS

Management evaluated subsequent events through December 21, 2021 when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to September 30, 2021, but prior to the filing of this report, that would have a material impact on the audited financial statements.

17. COMMITMENT AND CONTINGENCY

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Authority is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on The Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on The Authority's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact The Authority's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Peachtree City Airport Authority
Peachtree City, GA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Peachtree City Airport Authority, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Peachtree City Airport Authority's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is 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.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Morrow, Georgia
December 21, 2021