



BIRMINGHAM AIRPORT AUTHORITY

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE BIRMINGHAM AIRPORT AUTHORITY



A Component Unit of the City of Birmingham, Alabama
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Prepared By: Birmingham Airport Authority Finance Department

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Birmingham Airport Authority
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO





Government Finance Officers Association
 203 North LaSalle Street, Suite 2700
 Chicago, Illinois 60601-1210
 312.977.9700 fax: 312.977.4806

11/16/2021

Korey Campbell
 Chief Financial Officer
 Birmingham Airport Authority, Alabama

Dear Mr. Campbell:

Congratulations!

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2020 has met the requirements to be awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.

Your electronic award packet contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements.** We strongly encourage you to implement the recommended improvements in your next report. Certificate of Achievement Program policy requires that written responses to these comments and suggestions for improvement be included with your 2021 fiscal year end submission. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

- **Certificate of Achievement.** A Certificate of Achievement is valid for a period of one year. A current holder of a Certificate of Achievement may reproduce the Certificate in its immediately subsequent annual comprehensive financial report. Please refer to the instructions for reproducing your Certificate in your next report.
- **Award of Financial Reporting Achievement.** When GFOA awards a government the Certificate of Achievement for Excellence in Financial Reporting, we also present an Award of Financial Reporting Achievement (AFRA) to the department identified in the application as primarily responsible for achievement of the Certificate.
- **Sample press release.** Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Certificate ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion). Plaques and medallions will be mailed separately.

As an award-winning government, we would like to invite one or more appropriate members of the team that put together your annual comprehensive financial report to apply to join the Special Review Committee. As members of the Special Review Committee, peer reviewers get exposure to a variety of reports from around the country; gain insight into how to improve their own reports; achieve professional recognition; and provide valuable input that helps other local governments improve their reports. Please see our website for [eligibility requirements](#) and [information on completing an application](#).

Thank you for participating in and supporting the Certificate of Achievement Program. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

Michele Mark Levine
 Director, Technical Services

BOARD OF DIRECTORS



DARLENE WILSON

BAA Chairperson
Relay Accounting Management



DAVID GERMANY

BAA Vice Chairperson
Protective Life Corporation



CHRIS JOHNSON

BAA Treasurer
Stifel Public Finance Vice President



R. ASHBY PATE

BAA Secretary
Lightfoot, Franklin & White, LLC
Note: Term began July 2020



JENNIFER REID EGBE

Huie, Ferambucq & Stewart LLP



BOBBIE KNIGHT

Alabama Power Company, Retired
President of Miles College



BILL SMITH

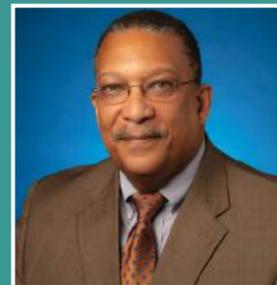
Landing



MAYOR RANDALL WOODFIN

City of Birmingham, AL Mayor

EXECUTIVE TEAM



RONALD F. MATHIEU, C.M.

President & CEO



CATHRYN SMITH

Executive Assistant and Board Administrator



JIM PAYNE, C.M., A.C.E.

Chief Operating Officer



T.J. WILLIAMS

Vice President of Air Service Development



KOREY L. CAMPBELL

Vice President of Finance /
Chief Financial Officer



ED SEOANE

Vice President of Purchasing



MATTHEW NELSON

Vice President of Facilities



PAULETTE MADDOX

Vice President of Human Resources



CAMERON THOMPSON, A.C.E.

Vice President of Operations



MARCELO LIMA, A.A.E.

Vice President of
Planning and Development



INGRID HAIRSTON

Vice President of Properties
and Business Development

December 12, 2021

Board of Directors
Birmingham Airport Authority
5900 Messer Airport Highway
Birmingham, Alabama 35212



Ladies and Gentlemen:

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the Birmingham Airport Authority (“the Authority”), for the fiscal years ended June 30, 2021 and 2020. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Authority. To the best of our knowledge and belief, the enclosed information is accurate and complete in all material respects and reported in a manner designed to present fairly the financial position, results of operations, and cash flows in accordance with the Generally Accepted Accounting Principles (GAAP).

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Organization

The Authority is an independent authority of the City of Birmingham (“the City”) that was established in June 1986. Birmingham-Shuttlesworth International Airport (“the Airport”) is operated by the Authority pursuant to a 50-year lease (“the City Lease”), which became effective on September 16, 1986 and expires on September 15, 2045. Under the terms of the City Lease, all real property acquired by the Authority is conveyed to the City and becomes subject to the terms and conditions of the City Lease. The Authority is governed by a seven-member Board of Directors (“the Board”). The Board appoints a President and CEO who is responsible for managing the overall operation of the Airport. Directors of the Board are nominated by the Mayor of the City and appointed by the City Council. Directors are appointed to staggered six-year terms. The Mayor is a non-voting ex-officio director. The members of the Board during the fiscal year were David Germany (Chairperson), Bobbie Knight, Christopher Johnson, Robert Earl Kelly, Ashby Pate, Bill Smith, Darlene Wilson, and Randall Woodfin (Mayor Ex Officio Member).

The operations and improvements at the Airport are funded by airport user charges, Passenger Facility Charges (PFCs), Customer Facility Charges (CFC’s), bond funds, and funds received from the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA). No general tax fund revenues are used to operate or maintain the Airport. Mr. Ronald F. Mathieu, President and Chief Executive Officer, has overall responsibility for the management, administration, and planning of organizational activities for the Authority. Mr. Mathieu has an experienced staff to aid him in carrying out the responsibilities of the position.

The City Lease requires that the annual operating budget and the five-year capital improvement budget of the Authority be submitted to the Mayor of the City and the City Council for approval. The Authority maintains financial records in accordance with generally accepted accounting principles and practices and is subject to an independent audit at any time at the discretion of the City. On June 1, 1990, the City Lease was amended such that the Authority’s financial obligation under the City Lease was subordinated to any pledge of the Authority of its revenues to secure any indebtedness.

Economic Conditions

Despite the persistence of the COVID-19 Delta variant, the economy for the City of Birmingham area has shown significant improvement over the past year. The Birmingham-Hoover Metropolitan Statistical Area unemployment rate for June 2021 was 3.4%, compared to 7.6% in June 2020. The area’s unemployment rate was comparable to the entire state of Alabama (3.3%) but better than the national rate of 5.4%. COVID-19 was declared a global pandemic near the end of the Airport’s 2020 fiscal year. Therefore, the worst of the impact on air travel occurred in FY 2021 as passenger enplanements were 50% lower than in the prior year. Despite the dramatic decline, traffic nationally and locally has improved greatly. As of November 2021, passenger enplanements at the Airport were 89% of the enplanements in November 2019.

The primary service region for the Birmingham-Shuttlesworth International Airport, the seven-county Birmingham-Hoover Metropolitan Statistical Area (“MSA”), has a diverse economic base and is the principal center of finance, trade, health care, manufacturing, transportation, and education in the State of Alabama. The MSA includes the following seven counties, ordered based on population size (largest to smallest): Jefferson, Shelby, St. Clair, Walker, Blount, Chilton, and Bibb. Jefferson County, which had an estimated population of approximately 675,000 in 2020, is the center of the seven-county Birmingham-Hoover Metropolitan Statistical Area (MSA), which covers 6,145 square miles. Birmingham, situated in the county seat, had an estimated population of approximately 201,000 according to the 2020 census.

With nearly 1.5 million passengers this past fiscal year, the Airport is Alabama’s busiest commercial service airport. In FY 2021, the Airport was served by four major airlines providing travelers with 92 peak daily flights and service to 16 airports in 14 cities. In addition to these passenger carriers, the Airport is served by three all-cargo operators: Federal Express (FedEx), Mountain Air, and United Parcel Service (UPS). The cargo enplaned and deplaned by these carriers, combined with the “belly” cargo transported by the passenger airlines, totaled and more than 25,000 tons of cargo at the Airport in FY 2021. The Airport also receives significant activity by General Aviation aircraft. According to the FAA’s Air Traffic Activity System (ATADS), the Airport had more than 91,000 itinerant and local operations in FY 2021. 45% of those operations were categorized as general aviation activity. General aviation is a broad classification covering all aviation activity other than scheduled commercial service and military aviation. General aviation activity therefore covers a range that includes a personal, business, training, and emergency service activity.

Major Initiatives and Development

The Authority’s five-year Capital Improvement Plan (CIP) for fiscal years 2022 – 2026 has appropriation requirements of approximately \$124.9 million dollars, with 21.2% of appropriations planned for fiscal year 2022. This CIP was developed in conjunction with the latest master plan study. Future improvements will be funded with airport funds, proceeds from new bond issues, FAA and other grants, passenger facility charges, and rental car customer facility charges. The Authority continually reviews its CIP to address changing economic and air traffic demands, operating conditions, and assessments of facility conditions.

In 2021, the Authority completed critical infrastructure projects to ensure the continuity of safe and efficient aviation activity. This includes the rehabilitation of Runway 18/36 which had reached the end of its useful life. The rehabilitation ensures quality pavement conditions for airport users. Additionally, a grading project was undertaken to improve the effectiveness of the glideslope antenna signal, which is used by aircraft to aid in their landing procedures.

Moving forward, the Authority continues to seek development opportunities which will improve aviation safety and support economic growth. Planned capital projects include improvements to the Runway 18 safety area, rejuvenation of Runway 6/24 and Taxiway H, and the design of pavement rehabilitation throughout the airfield. Design efforts are also underway for the construction of a new \$17.1 million air cargo facility and apron expansion which will be able to support both existing and future cargo demand.

Financial Information

Management's Discussion and Analysis (MD&A), starting on page 24, summarizes the Authority's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position and reviews the changes from the beginning to the end of fiscal year 2020 as well as certain comparisons of the current year to the prior year. The actual financial statements and related footnotes are presented on pages 32 to 75. The information contained in the MD&A should be considered in conjunction with the information contained in this report.

Internal Control Structure Framework

The financial statements of the Authority are prepared following U.S. generally accepted accounting principles applicable to governmental unit enterprise funds. This results in financial statements prepared on the full accrual basis. Internal control is a process affected by an entity's governing board, management, and other personnel and designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) safeguarding of assets from loss from unauthorized use or disposition; (b) execution of transactions in accordance with management's authorization; (c) reliability of financial records for preparing financial statements and maintaining accountability for assets; (d) effectiveness and efficiency of operations; and (e) compliance with applicable laws and regulations, including contracts and grant agreements.

Internal controls, no matter how well designed and operated, can provide only reasonable assurance to management and the board regarding achievement of an entity's control objectives. The likelihood of achievement is affected by limitations inherent to internal control. Such limitations include:

- Human judgment in decision-making can be faulty;
- Breakdowns in internal controls can occur due to errors or mistakes;
- Controls can be circumvented by the collusion of two or more people or management override of internal controls;
- Costs of an entity's internal controls should not exceed the benefits that are expected to be derived; and
- Custom, culture and the corporate governance system inhibit irregularities by management, but they are not absolute deterrents.

All internal control evaluations occur within the above framework. We believe that the Authority's internal controls adequately meet the objectives listed above and have devoted considerable time this past year to attract and retain individuals in our Finance Department who embrace the concept of a healthy internal control environment.

Independent Audit

Our independent auditor, Banks, Finley, White & Co., audit the financial statements of the Authority on an annual basis. The financial section of this report includes the independent auditor's report on the basic financial statements.

The Authority is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200, "Audits of State and Local Governments". All schedules and reports required under these federal and state regulations are included in the compliance section of this report.

Award of Financial Reporting Achievement

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Birmingham Airport Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the fourth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully Submitted,

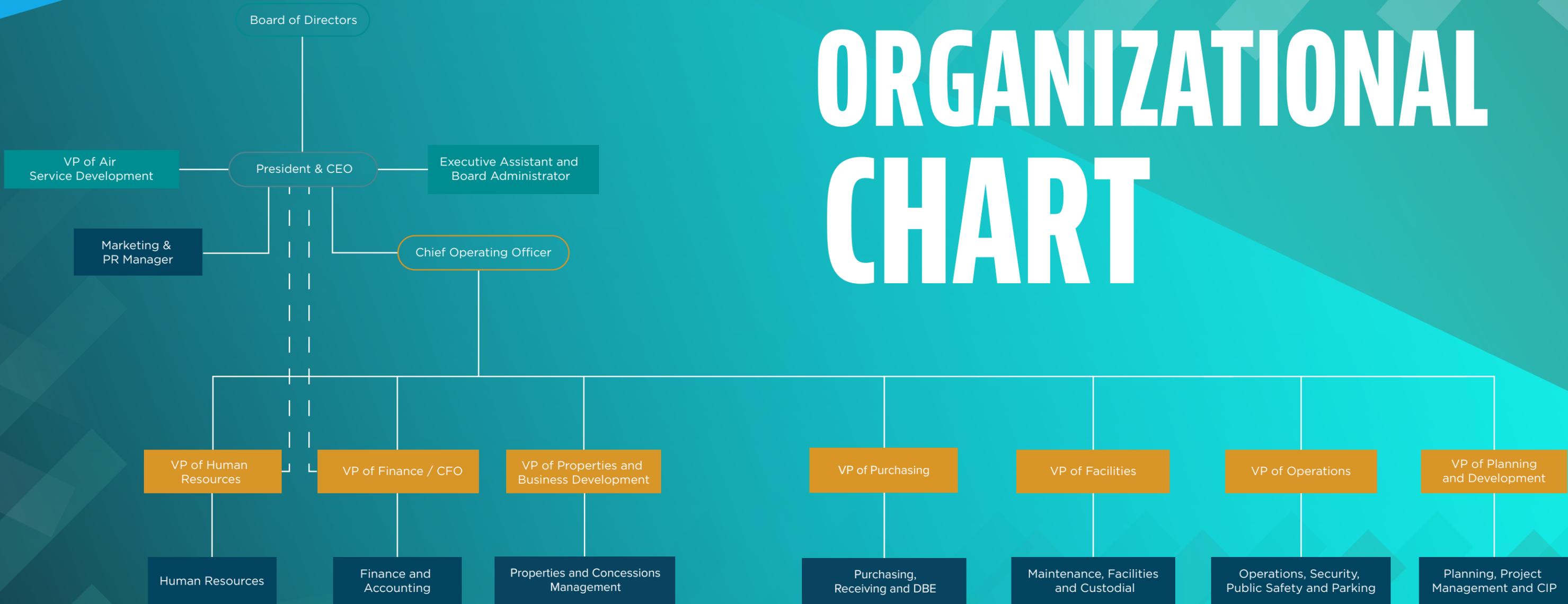


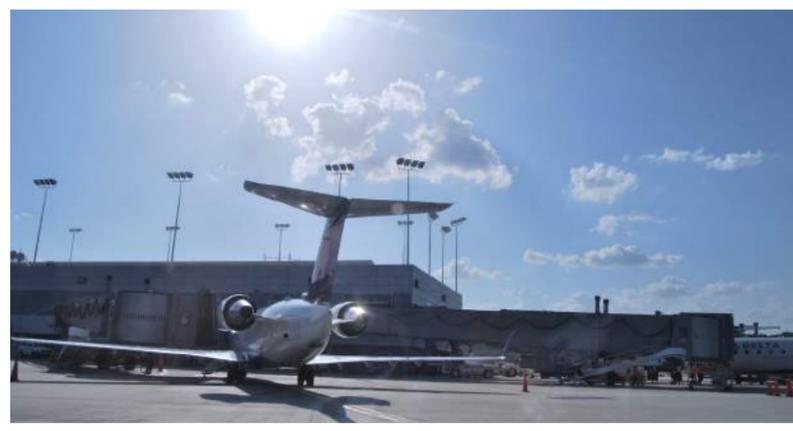
Ronald F. Mathieu
President and Chief Executive Officer



Korey Campbell
Chief Financial Officer

ORGANIZATIONAL CHART





MISSION

WHO WE ARE. WHAT WE DO.

To operate a safe, efficient, hospitable and state-of-the-art airport that promotes a healthy economy and environment.

VISION

WHAT WE ASPIRE TO BE.

To be a driving force of economic development for the region and a showcase for Southern hospitality.



BIRMINGHAM-SHUTTLESWORTH
INTERNATIONAL AIRPORT

FINANCIAL SECTION

(UNAUDITED)

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Independent Auditor’s Report

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Management Discussion and Analysis (Unaudited)

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Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Birmingham Airport Authority
Birmingham, Alabama

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principle

As discussed in Notes 2 and 18 to the financial statements, in 2021 the Authority adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information schedules on pages 24-25 and 32-33 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other information; the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; the schedule of passenger facility charges collected and expended as required by the Passenger Facility Charge Audit Guide for Public Agencies; and the introductory section, statistical section and sustainability section are presented for the purpose of additional analysis and is not a required part of the basic financial statements.

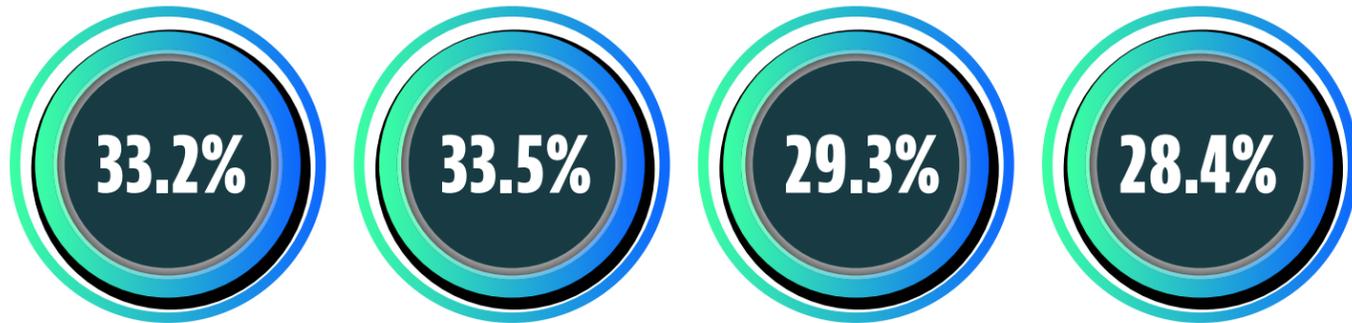
The schedule of expenditures of federal awards and schedule of passenger facility charges collected and expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021, on our consideration of the 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 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 Authority's internal control over financial reporting and compliance.

Birmingham, Alabama
December 31, 2021



The following Management Discussion and Analysis (MD&A) of the Birmingham Airport Authority (“the Authority”) presents a narrative overview of the financial activities of the Authority, which operates the Birmingham-Shuttlesworth International Airport (“the Airport”), for the fiscal years ended June 30, 2021, and 2020 with selected comparative information for the fiscal year ended June 30, 2019.

Following this MD&A are the basic financial statements of the Authority, the notes to the financial statements, and supplementary information. The report includes the following three basic financial statements: the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows. The accompanying notes to the financial statements are essential to a full understanding of the data contained in the financial statements. The supplementary information 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.

ACTIVITIES AT THE AIRPORT DURING FISCAL YEAR 2021 INCREASE

Activities at the Airport during fiscal year 2021 decreased by (33.2%), (33.5%), (29.3%), and (28.4%) for Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landing Weight in comparison to fiscal year 2020. During fiscal year 2020, Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landing Weight all decreased in comparison to fiscal year 2019.

	2021	2020	2019
Enplanements % increase / (decrease)	747,272 -33.2%	1,119,455 -27.0%	1,533,824 -8.8%
Total Passengers % increase / (decrease)	1,493,167 -33.5%	2,244,616 -26.8%	3,066,228 -8.8%
Air Carrier Operations % increase / (decrease)	23,540 -29.3%	33,288 -19.5%	41,364 -6.1%
Air Carrier Landing Weight % increase / (decrease)	1,064,578 -28.4%	1,487,485 -18.9%	1,833,622 -5.5%

The decreases in fiscal years 2021 and 2020 can be attributed to the severe impact that the COVID-19 pandemic and resulting restrictions have had on the aviation industry.

Four major passenger carriers, eleven regional carriers, and three regularly scheduled all-cargo carriers served the Airport during the fiscal year. When compared to the two previous years, there is one fewer major and one fewer regional carriers currently providing service at the Airport.

FINANCIAL OPERATIONS HIGHLIGHTS

Net position increased by \$27.7 million in fiscal year 2021, compared to a decrease of (\$36.6) thousand in 2020, and an increase of \$6.2 million in 2019.

- Operating Revenues decreased by (5.7%) from \$43.5 million in fiscal year 2020 to \$41.0 million in fiscal year 2021, largely due to declines in parking and concession fees. The decline in passenger volume caused parking and concession fees to decrease by \$6.6 million, or (35.8%). The decline in landing fees revenue was not as severe because the decrease in landing weight was mitigated by an increase in the landing fee rate. The decline in concession fees was offset by a \$4.8 million increase in Federal grants related to COVID-19 relief.

Operating Revenues decreased by (9.3%) from \$47.9 million in fiscal year 2019 to \$43.5 million in fiscal year 2020 due to declines in parking and concession fees and landing fees. Parking and concession fees decreased by (22.4%) and landing fees decreased by (19.7%). The declines in parking and concession fees and landing fees were offset by \$2.4 million in Federal grants.

- Operating Expenses before depreciation and amortization decreased by (28.3%) from \$32.4 million in fiscal year 2020 to \$ 23.3 million in fiscal year 2021, primarily due to a decrease in personnel and pension expenses. Personnel and pension expenses decreased by (45.8%).

Operating Expenses before depreciation and amortization increased slightly, by (1.3%) from \$32.0 million in fiscal year 2019 to \$ 32.4 million in fiscal year 2020, primarily due to an increase in personnel and pension expenses. Personnel and pension expenses increased by 11.3%. Those increases were offset by a (16.0%) decline in security and fire protection costs.

- Net Non-Operating Revenues and Expenses increased from \$(616.4) thousand in fiscal year 2020 to \$1.1 million in fiscal year 2021. The increase was largely driven by a decrease (30.9%) in interest expense.

Net Non-Operating Revenues and Expenses decreased from \$3.9 million in fiscal year 2019 to (\$616) thousand in fiscal year 2020, largely due to the decline in passenger facility charges and customer facility charges. Passenger facility charges and customer facility charges decreased by (33.9%) and (26.4%), respectively.

- Capital contributions in the form of grants received from the Federal government increased from \$7.5 million in fiscal year 2020 to \$28.5 million in fiscal year 2021. This was due to a greater volume of grant eligible construction projects and CARES and CRRSAA grant funds received from the Federal Aviation Administration (FAA) in response to the COVID-19 pandemic.

Capital contributions in the form of grants received from the Federal government increased from \$2.4 million in fiscal year 2019 to \$7.5 million in fiscal year 2020 due to work that was completed on grant eligible projects and CARES Act grant funds.

SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

	2021	2020	2019
Operating revenue:			
Space rentals	\$ 9,151,007	\$ 9,786,670	\$ 9,534,948
Concession fees	11,760,892	18,321,952	23,600,887
Landing fees	8,230,501	8,832,723	11,000,021
Federal grants (CARES AND CRRSAA)	7,147,198	2,374,536	-
Other revenues	4,725,709	4,161,302	3,773,101
Total operating revenues	41,015,305	43,477,183	47,908,957
Operating expenses:			
Personnel and pension	9,434,223	17,391,509	15,629,796
Security and fire protection	4,051,053	4,394,660	5,232,094
Repairs and maintenance	2,729,305	3,362,326	3,581,916
Other expenses	7,052,189	7,290,503	7,565,408
Total operating expenses before depreciation and amortization	23,266,770	32,438,998	32,009,214

	2021	2020	2019
Depreciation and amortization	19,597,391	18,006,437	17,361,529
Total operating expenses	42,864,161	50,445,435	49,370,743
Operating loss before non-operating revenues (expenses)	(1,848,854)	(6,968,252)	(1,461,786)
Total non-operating revenues (expenses)	1,121,165	(616,418)	3,894,649
Loss before capital contributions from federal agency	(727,689)	(7,584,670)	2,432,863
Capital contributions from federal agency	28,530,055	7,548,115	2,372,906
Increase (decrease) in net position	27,802,370	(36,555)	4,805,773
Total net position, beginning of the year	439,759,813	439,796,368	434,990,595
Total net position, end of the year	\$ 467,562,183	\$ 439,759,813	439,796,368

FINANCIAL POSITION SUMMARY

The statements of net position present the financial position of the Authority. The statements include all assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position of the Authority. A summary comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2021, 2020 and 2019 is as follows:

ASSETS	2021	2020	2019
Current Assets	61,411,724	90,303,363	123,298,139
Non-Current Assets	568,645,975	537,261,624	522,905,984
Total Assets	630,057,699	627,564,987	644,830,123
Deferred Outflows of Resources	9,494,729	17,324,745	12,848,809
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 639,552,428	\$ 644,889,732	\$ 657,678,932

LIABILITIES	2021	2020	2019
Current Liabilities	8,567,593	8,536,271	17,080,205
Non-current liabilities	134,690,699	189,972,356	192,288,564
Total Liabilities	143,258,292	198,508,627	209,368,769
Deferred Inflows of Resources	28,731,953	6,621,292	8,513,798
NET POSITION			
Net investment in capital assets	421,175,955	388,862,507	148,951,834
Restricted	9,367,628	21,114,356	286,038,762
Unrestricted	37,018,600	29,782,950	4,805,772
Total Net Position	467,562,183	439,759,813	439,796,368
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 639,552,428	\$ 644,889,732	\$ 657,678,932

Net Position may serve over time as a useful indicator of the Authority's financial position. The Authority's net position exceeded liabilities by \$467.6 million on June 30, 2021. This represents a \$27.8 million increase from June 30, 2020, and a \$27.7 million increase since June 30, 2019. The largest portion of the Authority's net position is its investment in capital assets (e.g., land, buildings, infrastructure improvements, and equipment), less the amount of related debt outstanding. The Authority uses these capital assets to provide services to its passengers, tenants, and business partners; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations.

An additional portion of the Authority's net position represents bond reserve funds, passenger and customer facility charges, federal grant contributions, and other assets that are subject to various restrictions and federal regulations. The remaining unrestricted net assets may be used to meet any of the Authority's ongoing obligations.

AIRLINE RATES AND CHARGES

From January 1, 2006 until March 1, 2009, the airlines operated without an agreement in place, but were charged rental rates and landing fees based on the methodology contained in the expired agreement. On March 1, 2009, the Authority changed its rate setting methodology to an approach of crediting the Airport's terminal cost center with 25% of all terminal building non-airline revenues and calculating landing fees based on a full compensatory methodology.

From July 1, 2011 until August 14, 2016, the Authority entered into a new agreement with each of the six major airlines serving Birmingham. Under the terms of that agreement, the airlines were be charged full compensatory landing fee rates for the airfield and commercial compensatory rates for the terminal building, reduced by a 35% non-airline terminal building revenue credit.

Effective August 15, 2016, the Authority entered into a new five-year agreement with each of the four major airlines serving Birmingham. Under the terms of the agreement, the airlines are charged residual landing fee rates for the airfield and compensatory rates for the terminal building reduced, by a 35%-50% non-airline terminal building revenue credit, depending on the Capital Improvement Fund balance. The agreement included an end of term option that allows for a renewal of an additional five years.

The Authority and the airlines mutually agreed to allow the current airline agreement to expire on June 30, 2021. The expired agreement is in holdover status on a month-to-month basis until June 30, 2022. The Authority and the airlines have begun negotiating a new agreement and have held several meetings since June 10, 2021. The Authority and the airlines anticipate that the new agreement will be completed during fiscal year FY 2022 and will go into effect on July 1, 2022.

	2021	2020	2019
Terminal Building Charges	\$ 7,719,186	\$ 8,032,923	\$ 7,319,474
Aircraft Parking Charges	539,713	775,873	734,713
Landing Fees	6,841,777	7,785,308	9,637,080
Total Signatory Airline Charges	\$ 15,100,677	\$ 16,594,104	\$ 17,585,838
Enplanements	747,272	1,119,455	1,533,824
Airline Cost per Enplaned Passenger	\$ 20.21	\$ 14.82	\$ 11.47

The airline cost per enplaned passenger is calculated by adding the airport charges paid by the airlines during a fiscal year and dividing that sum by the number of passengers enplaned during the twelve-month period. The components of the airline cost per enplaned passenger calculation have been revised to include additional costs paid by passenger airlines that were omitted from the calculation in prior years. Management is of the opinion that the revised calculation provides a more accurate portrayal of the cost to operate at Birmingham-Shuttlesworth International Airport.

SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash and cash equivalents are considered cash-on-hand, bank deposits and highly liquid investments with an original maturity of three months or less:

	2021	2020	2019
Cash Flows from Operating Activities	18,499,245	15,744,509	21,186,614
Cash Flows from Capital and Related Financing Activities	(45,278,909)	(47,052,766)	(15,674,664)
Cash Flows from Investing Activities	4,101,870	31,460,553	-
Net Increase (Decrease) in Cash and Cash Equivalents	(22,677,794)	152,296	2,453,259
Cash and Cash Equivalents:			
Beginning of the Year	77,878,727	77,726,431	75,273,171
End of the Year	55,200,933	77,878,727	77,726,430

The Authority's available cash and cash equivalents decreased from \$77.9 million at the end of fiscal year 2020 to \$55.2 million at the end of fiscal year 2021. Cash flows from investing activities was lower in fiscal year 2021 due to investment purchases that were made by the Authority. Available cash and cash equivalents at the end of fiscal year 2019 were \$77.7 million.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a proprietary fund with revenues recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and (except land and construction in progress) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction activities. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2021, the Authority expended \$12.7 million on capital activities. The majority of the expenditures were for the ARFF building (\$7.4 million), Runway 24 Glide Slope Improvements (\$1.7 million) and Land Acquisitions (Churches) (\$2.7 million). Please refer to the Notes to the Financial Statements, Note 6 "Changes in Capital Assets", for more information related to the Authority's capital acquisitions and construction activities.

LONG-TERM DEBT OUTSTANDING

In 2010, the Authority issued \$151,705,000 of Series 2010 Airport Revenue Bonds dated December 22, 2010, maturing annually from 2011 through 2040, with interest coupons ranging from 3.00 percent to 6.00 percent, with a net interest cost of 5.52 percent.

The Series 2010 Bonds were defeased by the Authority on August 10, 2020 on payment of \$138,590,000 in principal and \$ 810,329 in interest payment to bondholders. The Authority is expected to reduce its aggregate debt service payments over the next 20 years and will obtain an economic gain (difference between the present value of debt service of the refunding bonds and the Series 2010 Airport Revenue Bonds) estimated to be \$19,151,473.

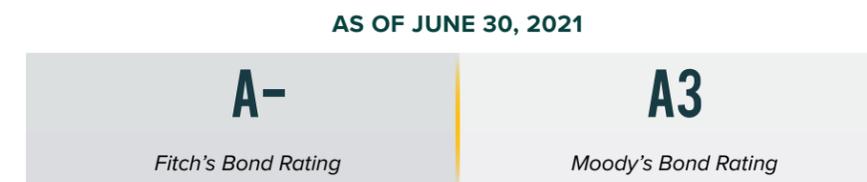
On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of \$102,130,000 and a premium of \$19,959,828, for a total of \$122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority's Series 2010 Bonds outstanding in the principal amount of \$138,590,000. Other sources of funds used to refund the Series 2010 bonds included \$19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semiannual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4 and 5.0 percent. Principal payments on the Series 2020 Bonds are due annually beginning July 1, 2023.

The Series 2020 net bond proceeds of \$139,386,888 (after payment of \$1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds.

Please refer to the Notes to the Financial Statements, Note 8 "Revenue Bonds Payable", for more information related to the Authority's long-term debt outstanding.

The underlying ratings of the Airport's obligations for fiscal year 2021:



PASSENGER FACILITY CHARGE (PFC)

The Authority initially received approval from the FAA to impose of PFC of \$3.00 per enplaned passenger beginning August 1, 1997, not to exceed \$7,657,558, primarily to finance the rehabilitation of the main runway. Subsequently, the Authority requested and received approval to increase the charge per enplanement to \$4.50, and to increase the total collection amount to \$215,544,765. The Authority has used PFCs to finish the rehabilitation of the main runway, to pay for the rehabilitation of the air carrier apron, to relocate a sanitary sewer lift station, to remove obstructions from beyond the end of the main runway, and to design, construct and finance a terminal modernization program. The Authority's remaining authorization for the use of PFC is to pay a portion of the debt service on the Series 2020 Bonds, which were issued to refund the Series 2010 Bonds. The collection period is scheduled to end on July 1, 2031. Through June 30, 2021, the Authority has collected PFCs, including interest earnings thereon, totaling \$114,581,857. For further details related to the current year activity, see the Schedule of Passenger Facility Charges in the Compliance Section of this report.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Vice President of Finance/CFO, Birmingham Airport Authority, 5900 Messer Airport Highway, Birmingham, Alabama 35212, or call 205-595-0533.

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2021	2020
CURRENT ASSETS		
UNRESTRICTED ASSETS:		
Cash and cash equivalents	\$ 39,327,600	\$ 53,142,353
Investments	197,317	10,146,525
Grants receivable	2,452,625	697,351
Accounts receivable (net of allowance for uncollectibles of \$35,831 and \$29,839 in 2021 and 2020, respectively)	1,795,690	433,689
Other accounts receivable	11,498	1,625
Prepaid expenses	621,525	610,667
Inventory	275,883	276,155
Total unrestricted assets	44,682,138	65,308,365
RESTRICTED ASSETS:		
Passenger Facility Charges Funds:		
Cash and cash equivalents	6,003,109	3,166,437
Accounts receivable	459,031	113,645
Customer Facility Charges Funds:		
Cash and cash equivalents	1,748,294	1,258,444
Accounts receivable	397,226	144,980
Revenue Bond Reserve Funds:		
Cash and cash equivalents	2,385,926	20,311,492
Construction Bond Funds:		
Cash and cash equivalents	5,736,000	-
Accrued interest receivable	-	-
Total restricted assets	16,729,586	24,994,998
Total current assets	61,411,724	90,303,363
NON-CURRENT ASSETS		
Investments	30,157,050	-
Net OPEB Asset	-	64,431
Prepaid expenses	604,204	-
Capital assets, net of accumulated depreciation	537,884,721	537,197,193
Total non-current assets	568,645,975	537,261,624
Total assets	630,057,699	627,564,987
DEFERRED OUTFLOWS OF RESOURCES	2021	2020
Deferred refunding	531,260	10
Deferred outflow of resources related to pension	8,603,028	17,219,908
Deferred outflow of resources related to OPEB	360,441	104,827
Total deferred outflows of resources	9,494,729	17,324,745
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 639,552,428	644,889,732
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

CURRENT LIABILITIES		
Payable From Unrestricted Assets:		
Accounts payable and accrued expenses	\$ 5,226,012	\$ 1,213,589
Total payable from unrestricted assets	5,226,012	1,213,589
Payable From Restricted Assets:		
Construction contracts payable	1,011,292	1,099,689
Accrued interest payable	2,330,289	4,577,993
Current maturities of revenue bonds payable	-	1,645,000
Total payable from restricted assets	3,341,581	7,322,682
Total current liabilities	8,567,593	8,536,271
NON-CURRENT LIABILITIES		
Compensated employee absences	585,412	583,657
Revenue bonds payable, net of unamortized bond premium	122,701,750	138,590,007
Notes payable	-	7,000,000
Net pension liability	11,041,421	43,798,692
Net OPEB liability	362,116	-
Total non-current liabilities	134,690,699	189,972,356
Total liabilities	143,258,292	198,508,627
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of resources related to pension	28,361,907	6,190,761
Deferred inflow of resources related to OPEB	370,046	430,531
Total deferred inflows of resources	28,731,953	6,621,292
NET POSITION		
Net investment in capital assets	421,175,955	388,862,507
Restricted:		
For debt service	55,637	15,733,499
Federal grants and programs	9,311,991	5,380,857
Total restricted	9,367,628	21,114,356
Unrestricted	37,018,600	29,782,950
Total net position	467,562,183	439,759,813
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 639,552,428	\$ 644,889,732

See Accompanying Notes to the Financial Statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2021 and 2020

OPERATING REVENUES	2021	2020
Space rentals	\$ 9,151,007	\$ 9,786,670
Parking (including valet)	6,895,580	11,646,835
Concession fees	4,856,312	6,675,117
Landing fees	8,230,501	8,832,723
Fuel flowage	319,489	346,576
Ground hangar rentals	2,725,107	2,609,027
Federal grants- CARES and CRRSAA	7,147,198	2,374,536
Other revenues	1,681,113	1,205,699
Total operating revenues	41,015,307	43,477,183
OPERATING EXPENSES		
Personnel costs	9,434,223	10,553,021
Pension expense	-	6,838,488
Security and fire protection	4,051,053	4,394,660
Utilities	1,861,045	1,874,787
Professional services	2,063,127	2,479,098
Materials and supplies	931,547	1,231,465
Repairs and maintenance	2,729,305	3,362,326
Other expenses	2,196,470	1,705,153
Total operating expenses before depreciation and amortization	23,266,770	32,438,998
Depreciation and amortization	19,597,391	18,006,437
Total operating expenses	42,864,161	50,445,435
Operating loss before non-operating revenues (expenses)	(1,848,854)	(6,968,252)
NON-OPERATING REVENUES (EXPENSES)		
Passenger facility charges	3,175,906	4,057,275
Customer facility charges	2,989,088	3,806,147
Interest income	271,625	948,041
Interest expense	(4,142,760)	(8,777,415)
Insurance settlement	(27,667)	(4,591)
Gain on disposal of capital assets	171,464	-
Bond issuance cost	(1,268,183)	(212,031)
Loss on extinguishment of debt	-	(434,313)
Net (decrease) increase in the fair value of investments	(48,308)	469
Total non-operating revenues	1,121,165	(616,418)
Loss before capital contributions from federal agency	(727,689)	(7,584,670)
Capital contributions from federal agency	28,530,055	7,548,115
NET POSITION		
Increase (decrease) in net position	27,802,370	(36,555)
Total net position, beginning of the year	439,759,813	439,796,368
Total net position, end of the year	\$ 467,562,183	\$ 439,759,813

See Accompanying Notes to the Financial Statements.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
Cash received from customers and tenants	\$ 31,614,898	\$ 41,517,494
Cash paid to suppliers for goods and services	(10,802,716)	(17,597,449)
Cash paid for personnel costs	(9,432,468)	(10,545,481)
Other receipts from/(payments for) operating activities	7,119,531	2,369,945
Net cash provided by operating activities	18,499,245	15,744,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(16,177,508)	(32,806,475)
Disposal of capital assets	171,464	-
Receipts from federal grants, passenger facility charges, and customer customer facility charges	3,812,088	16,318,520
Interest paid on capital debt	(6,653,627)	(9,464,124)
Principal paid on capital debt	(1,645,000)	(28,535,000)
Line of credit	(7,000,000)	7,000,000
Proceeds from bonds issuance	102,130,000	-
Retirement of bonds	(138,590,000)	-
Premium from sale of bonds	19,959,828	-
Bond issuance costs	(1,286,154)	-
Loss on extinguishment of debt	-	434,313
Net cash (used for) capital and related financing activities	(45,278,909)	(47,052,766)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	271,625	948,167
Sales of investments	3,830,245	30,512,386
Net cash provided by investing activities	4,101,870	31,460,553
Net (decrease) increase in cash and cash equivalents	(22,677,794)	152,296
Cash and cash equivalents, beginning of the year	77,878,727	77,726,431
Cash and cash equivalents, end of the year	\$ 55,200,933	\$ 77,878,727
Cash and cash equivalents - Unrestricted Assets	\$ 39,327,600	\$ 53,142,353
Cash and cash equivalents - Restricted Assets	15,873,329	24,736,373
	\$ 55,200,929	\$ 77,878,726

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2021	2020
Operating loss	\$ (1,848,854)	\$ (6,968,252)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	19,597,391	18,006,437
Bad debt expense	29,240	5,993
Other Receipts (Payments)	(27,667)	(4,591)
CHANGE IN ASSETS, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND LIABILITIES:		
Receivables (net)	(1,391,268)	415,988
Other receivable	(9,873)	(1,141)
Prepaid expenses and inventory	(5,105)	(7,660)
Compensated employee absences	1,755	7,540
Accounts payable and accrued expenses	4,012,423	(1,594,421)
Net pension and OPEB liability and related deferred outflows/inflows of resources for pension	(1,858,797)	5,884,616
Total adjustments	20,348,099	22,712,761
Net cash flows from operating activities	\$ 18,499,245	\$ 15,744,509
NONCASH INVESTING AND FINANCING ACTIVITIES		
Increase in fair value of investments	\$ (48,308)	\$ 469
Amortization of bond discount	\$ 593,954	\$ 570,862

See Accompanying Notes to the Financial Statements.

STATEMENTS OF FIDUCIARY NET POSITION - OPEB TRUST FUND

June 30, 2021 and 2020

ASSETS:	2021	2020
Cash and cash equivalents	\$ 1,389,747	\$ 1,393,895
Total assets	1,389,747	1,393,895
LIABILITIES AND NET POSITION:		
Total liabilities	-	-
Net position held in trust for OPEB benefits	\$ 1,389,747	\$ 1,393,895

See Accompanying Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET POSITION - OPEB TRUST FUND

For the years ended June 30, 2021 and 2020

	2021	2020
Net position held in trust for OPEB benefits, beginning of the year	\$ 1,393,895	\$ 1,374,001
Additions:		
Employer contributions	4,874	2,597
Investment income	1,422	25,428
Total additions	6,296	28,025
Deductions		
Benefit payments, including refunds of member contributions	4,874	2,597
Administrative expense	5,570	5,534
Total deductions	10,444	8,131
Net (Decrease) Increase	(4,148)	19,894
Total net position held in trust for OPEB benefits, end of year	\$ 1,389,747	\$ 1,393,895

See Accompanying Notes to the Financial Statements.



NOTE 1: NATURE OF ORGANIZATION AND REPORTING ENTITY

Nature of Organization

The Birmingham Airport Authority (“the Authority”) was incorporated on June 6, 1986, as a nonprofit corporation under the provisions of the Code of Alabama, Title 4, Chapter 3, Article 2. The Authority is governed by a seven (7) member Board of Directors, who are nominated by the Mayor and confirmed by the City Council of the City of Birmingham (“the City”).

The City owns the Birmingham Shuttlesworth International Airport (the “Airport”). Pursuant to a Lease Assignment and Operating Agreement (“Agreement”) dated September 16, 1986, and amended October 1, 2009, the City transferred to the Authority custody, control and management of the Airport for a term that currently expires September 15, 2045, subject to certain conditions contained in the Agreement. The Authority pays the sum of \$10 as annual rent to the City during the term of the Agreement. As of June 30, 2021, the Authority was in compliance with the terms and conditions of the Agreement.

Reporting Entity

The Authority meets the criteria set forth in generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City’s general purpose financial statements based on the City’s responsibility for the appointment of the Authority members, and their approval of capital programs and certain debt issuances and the Authority’s annual operating budget. As a component unit of the City, the Authority’s financial statements are discretely presented on the City’s general purpose financial statements. The accompanying financial statements present the financial position of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America applicable to state and local governmental agencies, and as such.

Basis of Presentation - Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority has two categories of funds: proprietary and fiduciary.

Proprietary funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The Authority has no internal service funds.

The Authority is accounted for as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Authority is that the cost (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Authority’s own programs. The Authority’s only trust fund is the other post-employment benefit (OPEB) plan fund established for the purpose of the Authority to meet its liability for the payment of the health and related benefits for its retired employees under long established employee benefit plans.

Measurement Focus

The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments, and related GASB pronouncements.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial trust funds.

New Accounting Pronouncements

In May 2020, the GASB has issued Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance (GASBS 95)” effective immediately. This statement postpones the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later in light of the COVID-19 pandemic.

The Authority has adopted GASBS 95 which has resulted in postponing effective dates of following announcements by one year.

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020 – excluding paragraphs 4, 5, 11, and 13

The adoption also resulted in postponing effective dates of following announcements by 18 months.

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

The GASB issued Statement No. 83, Certain Asset Retirement Obligations (“GASBS 83”). This statement establishes criteria for recognition of a liability and a corresponding deferred outflow of resources and related disclosures for asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the future retirement of a tangible capital asset. The retirement of a tangible capital asset encompasses its sale, abandonment, recycling, or disposal in some other manner. The requirements of GASBS No. 83 are effective for fiscal years beginning after June 15, 2019 (fiscal year 2020), with earlier implementation encouraged. The Authority has implemented GASBS No. 83 this year.

GASB issued Statement No. 84, Fiduciary Activities (“GASBS 84”). This Statement was issued January 2017 and establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and

postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of GASBS No. 84 are effective for fiscal years beginning after December 15, 2019. The Authority has implemented GASBS No. 84 this year and the effects of implementation are described in Note 18 of the annual report.

GASB issued Statement No. 87, Leases (“GASBS 87”). This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments’ financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASBS No. 87 are effective for fiscal years beginning after June 15, 2021 (fiscal year 2022). The Authority is currently evaluating the impact that GASB 87 may have on its financial statements, if any.

GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period (“GASBS 89”). The statement was issued June 2018. The objective of this statement is to establish accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5 22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989, FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The requirements of GASBS 89 are effective for periods beginning after December 15, 2020 (fiscal year 2022). The Authority is currently evaluating the impact GASBS No. 89 may have on its financial statements.

GASB issued Statement No. 92, Omnibus 2020 (“GASBS 92”). This Statement was issued June 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority is currently evaluating the impact that GASB 92 may have on its financial statements.

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (“GASBS 96”). This statement was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of GASBS 96 are effective for periods beginning after June 15, 2022 (fiscal year 2023). The Authority is currently evaluating the impact that GASBS No. 96 may have on its financial statements.

GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (“GASBS 97”). The objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Paragraph 4 and 5

are effective immediately and paragraphs 6 to 9 are effective for fiscal years beginning after June 15, 2021 (fiscal year 2022). All other requirements of this statement are effective for reporting periods beginning after June 15, 2021 (fiscal year 2022). The Authority is currently evaluating the impact that GASBS No. 97 may have on its financial statements.

GASB issued Statement No. 98, The Annual Comprehensive Financial Report (“GASBS 98”). The statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles. The requirements of this statement is effective are fiscal years ending after December 15, 2021 (fiscal year 2022) with earlier application encouraged. The Authority has adopted GASBS 98 this year.

Use of Accounting Estimates

The preparation of financial statements 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. Actual results could differ from those estimates.

Investments

State statutes authorize the Authority to invest in U.S. government obligations or in bonds of the State of Alabama or in any county or municipality therein, or in certificates of deposit collaterally secured by a pledge of U.S. government obligations. Investments are accounted for in accordance with GASB Statement No. 72, Fair Value Measurement and Application, which requires that certain investments be recorded at fair value (e.g., quoted market prices).

Restricted Assets

Funds are set aside as restricted, and they are not available for current expenses when constraints placed on their use are legally enforceable due to either:

- Externally imposed requirements by creditors (such as through debt covenants), grantors or contributors.
- Laws or regulations of other governments.

Designated Assets

The Authority’s management designates funds for capital projects, debt service and other specific commitments; these funds would otherwise be available for operations.

Inventory

Inventories include the following at June 30, 2021 and 2020:

	2021	2020
Baggage Handling System Parts	\$ 182,035	\$ 179,179
Jet Bridge Parts	93,848	96,976
Total	\$ 275,883	\$ 276,155

Inventory is valued at cost. The cost is determined on a first in, first out basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Capital assets are recorded at cost, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, which are reported at acquisition value at the time of contribution. There were no such service concession arrangements during fiscal year 2021 and 2020. Depreciation has been provided over the estimated useful lives using the straight line method.

Estimated useful lives by asset category are as follows:

10-35 years	5-30 years	5-15 years	5-15 years
BUILDINGS	INFRASTRUCTURE IMPROVEMENTS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES

Cost of constructed fixed assets includes net interest expense during the construction period. No depreciation is provided on construction in progress until construction is substantially complete and the asset is placed in service. When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the accounts with any gains or losses on disposition being reflected in current operations. The Authority capitalizes all capital assets in excess of \$5,000. Maintenance and repairs are expensed as incurred.

Deferred Outflows/Inflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources and/or deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and, therefore, not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, not recognized as an inflow of resources (revenue) until then.

Airport Improvement Program

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the Federal Aviation Administration (“the FAA”), with 5% to 10% of project expenditures provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Transportation Security Administration Grant

Certain expenditures for airport capital improvements are funded through a Transportation Security Administration (“TSA”) grant program, with 10% provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

CARES and CRRSAA Grants

On April 29, 2020, and March 11, 2021, the Authority received grant awards for funding under the Coronavirus Aid, Relief and Economic Security Act and the Coronavirus Response and Relief Supplemental Appropriation Act, respectively. Funding provided under these acts is provided to help offset declining revenues arising from diminished airport operations and activities as a result of the COVID 19 Public Health Emergency. Funding provided for the Authority’s operational and maintenance expenses are presented in operating revenues. Funding provided under the acts for the Authority’s debt service and debt repayment are presented in non operating revenues as capital contributions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Passenger Facilities Charges (PFC)

The Authority is authorized to impose a Passenger Facility Charge (“PFC”) on enplaning passengers. The PFC can be collected until the date on which the total PFC revenue collected, plus interest thereon, equals the allowable cost of the approved projects, which is \$215,544,765. The collection period ends on July 1, 2031. The PFC funds are available for authorized construction projects and debt service under an approved FAA application. PFCs, along with related interest earnings, are recorded as nonoperating revenue when earned.

Customer Facility Charge (CFC)

On November 19, 2012, the Authority’s Board of Directors adopted a resolution authorizing Rental Car Agencies operating at the Birmingham Shuttlesworth International Airport (the “Airport”) to impose a Customer Facility Charge (“CFC”). The resolution was amended August 18, 2020 and again on January 19, 2021. The purpose of the CFC is to provide funding for a Quick Turn Around Facility to house all rental car companies. Effective January 1, 2013, companies that operate under a Rental Car Concession Agreement at the Airport began assessing each customer an initial CFC of \$5.00 per transaction day. The total amounts collected are reported and remitted monthly to the Authority by the rental car companies.

The Authority is authorized to pledge the CFCs collected, by resolution or trust indenture, to pay the costs and expenses of purchasing property, financing, designing, constructing, operating, relocating, and maintaining the Quick Turn Around Facilities. On March 22, 2019, the Authority entered into an agreement with BBVA Compass to borrow a sum not to exceed \$10,000,000 and drew down \$7,000,000 in 2019. The Authority made monthly interest payments until the debt was paid in full on June 18, 2021.

CFCs are segregated from all other funds and assets of the Authority. The total amount collected net of borrowings, expenses and interest earned, was \$889,552 and \$1,258,444 as of June 30, 2021, and 2020, respectively.

Revenue Classifications

Revenue is recognized when earned. The Authority will classify revenues as operating or non operating based on the following criteria:

Operating revenues are from the revenue sources that constitute the principal ongoing activity of the operations of the Airport. The major components of operating revenue consist of landing fees and terminal building and ground rentals, concession and parking fees, and other miscellaneous fees and charges. Landing fees and terminal building rates are charged on the basis of recovery of actual costs for operating and maintaining the Airport airfield and terminal areas.

Non operating revenues are from revenue sources related to financing activities and other activities which do not constitute the principal ongoing activities of the Authority’s operations. These include PFCs, interest income, and grant revenue related to specific programs.

Expense Classifications

The Authority will classify expenses as operating or non operating based on the following criteria: Operating expenses relate to the principal ongoing activities of the operations of the Airport. The major components of operating expenses consist of personnel costs, contractual services, utilities, maintenance, materials and supplies, professional services, depreciation and amortization, and equipment rentals and repairs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non operating expenses relate to financing activities and other activities which do not constitute the principal ongoing activities of the Authority’s operations. These include primarily interest expense.

Federal Grants

When a grant agreement is approved and all eligibility requirements have been met, the expenditures are recorded as a federal grant receivable and as a capital grant contribution.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers cash on hand, bank deposits and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Receivables

Accounts Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, and current information regarding the credit worthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Interest Capitalization

Interest cost related to construction financing is capitalized, net of interest earned, on the borrowed proceeds, from the time of borrowing until construction is substantially complete and the assets are placed in service.

Interest expense and capitalized interest for the years ended June 30, 2021, and June 30, 2020 are as follows

Interest Costs	2021	2020
Total Interest Cost	4,201,500	8,854,851
Capitalized interest	(58,740)	(77,436)
Interest expense	4,142,760	8,777,415

Bonds Payable, Bond Issue Costs, Original Issue Discount and Deferred Loss on Bond Refunding

Bonds payable are recorded at the principal amount outstanding, net of any applicable premium or discount.

Bonds outstanding, which have been refunded and economically defeased, are not included in long-term debt. The related assets are not included in investments. Any loss on refunding, which is the difference between the reacquisition price and the net carrying amount on the old debt, is recognized as deferred outflow of resources and amortized as a component of interest expense over the shorter of either 1) the original life of the refunded debt or 2) the life of the refunding debt. Debt issuance costs - except any portion related to prepaid insurance costs - is recognized as an expense in the period incurred. Prepaid insurance related to debt issuance, original issue discount and deferred loss on refunding on long term indebtedness are deferred and amortized using the effective interest method over the life of the debt to which it relates.

Compensated Absences

The Authority’s employees earn vacation leave at graduated rates based on their length of service (one day per month of service initially) and up to forty days of unused leave may be carried over to the following year. Sick leave is earned at the rate of eight hours for each month of service and can accumulate up to sixty days. The Authority funds sick leave as taken.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accruals are recorded for accumulated unpaid vacation and longevity pay. As of June 30, 2021, and 2020, these accruals totaled \$585,412 and \$583,657, respectively.

Arbitrage Rebate

The U.S. Treasury has issued regulations on calculating the rebate due the Federal government on arbitrage profits, calculating arbitrage penalties, and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax exempt debt in securities with higher yields. For the years ended June 30, 2021, and 2020, the Authority had no arbitrage rebate liability.

Retention Payable

The Authority enters into construction contracts that may include retention provisions such that a certain percentage of the contract amount is held for payment until completion of the contract and acceptance by the Authority. The Authority's policy is to record retention payable as contract work is completed and accepted. Retention payable is included in construction contracts payable on the accompanying statements of net position.

Components of Net Position

The Authority's net position classifications are as follows:

NET INVESTMENT IN CAPITAL ASSETS – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

RESTRICTED NET POSITION – This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

UNRESTRICTED NET POSITION – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted--net position and unrestricted--net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Reclassifications

Certain reclassifications have been made in the prior year financial statements for comparative purposes to conform to the current year financial statements. The reclassification had no effect on previously reported change in net position.

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

It is the Authority's policy to invest only in obligations of the U.S. Treasury, U.S. Government Agencies, State of Alabama obligations, and short term bank certificates of deposit.

The Authority's cash and cash equivalents and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits (in excess of FDIC insurance) may not be returned to it. The carrying amount of the Authority's deposits, certificates of deposits and cash on hand was \$39,326,000 and \$53,142,353 and the related bank balance was \$40,505,193 and \$55,214,069 at June 30, 2021 and 2020, respectively. The Authority also had restricted cash deposited with a trustee, with a carrying and bank balance amount of \$10,073,912 and \$36,276,897 at June 30, 2021 and 2020, respectively.

The Authority's deposit policy for custodial credit risk limits deposits to financial institutions that are members of the Alabama State Treasury's Security for Alabama Funds Enhancement ("SAFE") Program. Under the SAFE program, the Authority's funds are protected through a collateral pool administered by the Alabama State Treasury. Banks doing business within the State of Alabama and holding deposits of public funds belonging to the state, counties, cities, or agencies of state and local governments must pledge securities to the SAFE program pool which are held as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance.

Credit Risk

Credit risk is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Unrestricted investments in U.S. Government T-Notes and U.S. Treasury Bills had a fair market value of \$35,944,732 and \$0 as of June 30, 2021, and 2020 respectively. U.S. Government obligations are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of Credit Risk

Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (investments acquired from a single issuer). The Authority's cash deposits are held in several financial institutions and are fully insured by the Federal Deposit Insurance Corporation (FDIC), the U.S. Government, and the SAFE Program.

The Authority's investment policy limits its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

Interest Rate Risk

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value.

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Type of Investment	INVESTMENT MATURITIES AT FAIR VALUE (IN YEARS)				TOTALS	TOTALS
	Less Than 1	1-5	6-10	More Than 10	6/30/2021	6/30/2020
U.S. Treasury Bills	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government T-Notes	-	30,208,732	-	-	30,208,732	-
U.S. Treasury/SLGS Agency Securities	5,736,000	-	-	-	5,736,000	-
Total Investment	\$ 5,736,000	\$ 30,208,732	\$ -	\$ -	\$ 35,944,732	\$ -

The Authority's investment policy is to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than three years from the date of purchase. However, unrestricted investments, the Revenue Bond Reserve Funds, and Construction Bond Funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

NOTE 4: FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS REPORTED AT FAIR VALUE

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs use to measure fair value of the asset. Level 1 inputs consist of quoted market prices in active markets for identical assets; Level 2 inputs consist of significant other observable inputs; Level 3 inputs consist of significant unobservable inputs. Certain items required to be reported at their net asset value (NAV) are not subject to level disclosure. The Authority did not have any such investment as of June 30, 2020.

Type of Investment	INVESTMENT MATURITIES AT FAIR VALUE (IN YEARS)			TOTALS	TOTALS
	Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	6/30/2021	6/30/2020
U.S. Treasury Bills	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government T-Notes	-	-	-	30,208,732	-
U.S. Treasury/SLGS Agency Securities	-	-	-	5,736,000	-
Total Investments at Fair Value	\$ -	\$ -	\$ -	\$ 35,944,732	-

Security Valuation Disclosure

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 & 3 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Pricing source: ICE Interactive Data.

The fair value presented herein is based on pertinent information available to management as of June 30, 2021, and 2020. Although management is not aware of any factors that would significantly affect fair value amounts, future events or other valuation techniques for determining fair value may differ significantly from the amounts presented herein.

NOTE 5: LEASE ARRANGEMENTS WITH THE AUTHORITY AS THE LESSOR

OPERATING LEASES

The Authority is the lessor of terminal space, land and buildings at the Airport under various operating leases for periods through 2028. Some of the leases, in addition to non cancellable amounts at fixed rates, provide for additional payments based on usage or activity. The following is a table of future minimum non cancellable lease payments to the Authority:

2022	\$ 10,077,642
2023	7,308,225
2024	6,787,568
2025	6,807,204
2026	6,802,825
2027 - 2028	5,199,297
Total	\$ 42,982,761

Lease Arrangements with the Authority as the LESSEE

The Authority leases facilities and equipment under agreements reported as operating leases and the annual lease payments are recorded as expenses. The Authority has contracts in excess of one year that have future minimum rental payments as follows:

FY 2022: \$40,460
 FY 2023: \$40,460
 FY 2024: \$23,602

The Authority also has lease agreements that are on a month-to-month basis. Operating lease costs for those agreements for the year ended June 30, 2021, and 2020 were \$4,953 and \$4,953, respectively.

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NOTE 6: CHANGES IN CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2021, and 2020, is as follows:

CAPITAL ASSETS NOT BEING DEPRECIATED:	BALANCE AT 7/1/2020	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/2021
Capital assets not being depreciated:				
Land	196,045,615	59,110	\$ -	196,104,725
Construction in progress	45,497,497	17,583,652	(45,916,297)	17,164,850
Total capital assets not being depreciated	<u>241,543,112</u>	<u>17,642,762</u>	<u>(45,916,297)</u>	<u>213,269,575</u>
Capital assets being depreciated:				
Buildings	278,928,263	33,232,083	-	312,160,346
Infrastructure improvements	220,518,685	6,881,595	-	227,400,279
Machinery and equipment	66,067,765	3,725,085	-	69,792,850
Furniture and fixtures	4,450,790	86,473	-	4,537,263
Total capital assets being depreciated	<u>569,965,503</u>	<u>43,925,236</u>		<u>613,890,738</u>
Less accumulated depreciation on:				
Buildings	100,915,212	7,348,554	-	108,263,770
Infrastructure improvements	138,408,175	6,376,359	2,185,802	142,598,731
Machinery and equipment	32,813,149	4,046,001	904,452	35,954,698
Furniture and fixtures	2,174,883	265,665	-	2,440,547
Total accumulated depreciation	<u>274,311,419</u>	<u>18,036,579</u>	<u>3,090,254</u>	<u>289,257,746</u>
Total capital assets depreciated, net	<u>295,654,084</u>	<u>25,888,657</u>	<u>3,090,254</u>	<u>324,632,992</u>
Total capital assets, net	<u>537,197,196</u>	<u>43,531,419</u>	<u>(42,826,043)</u>	<u>537,902,567</u>

	BALANCE AT 7/1/2019	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/2020
Capital assets not being depreciated:				
Land	183,691,592	12,354,023	(16,761,872)	196,045,615
Construction in progress	30,952,381	31,306,988	(16,761,872)	45,497,497
Total capital assets not being depreciated	<u>214,643,973</u>	<u>43,661,011</u>	<u>(16,761,872)</u>	<u>241,543,112</u>
Capital assets being depreciated:				
Buildings	278,928,263	-	-	278,928,263
Infrastructure improvements	218,184,723	2,333,962	-	220,518,685
Machinery and equipment	63,584,334	2,483,431	-	66,067,765
Furniture and fixtures	4,440,538	10,252	-	4,450,790
Total capital assets being depreciated	<u>565,137,858</u>	<u>4,827,645</u>		<u>569,965,503</u>
Less accumulated depreciation on:				
Buildings	94,125,022	6,790,190	-	100,915,212
Infrastructure improvements	131,800,225	6,607,950	-	138,408,175
Machinery and equipment	29,036,873	3,776,276	-	32,813,149
Furniture and fixtures	1,913,727	261,156	-	2,174,883
Total accumulated depreciation	<u>256,875,847</u>	<u>17,435,572</u>	<u>-</u>	<u>274,311,419</u>
Total capital assets depreciated, net	<u>308,262,011</u>	<u>(12,607,927)</u>	<u>-</u>	<u>295,654,084</u>
Total capital assets, net	<u>522,905,984</u>	<u>31,053,084</u>	<u>(16,781,872)</u>	<u>537,197,196</u>

Depreciation expense in the amount of \$19,003,437 and \$17,435,575 was charged for the year ended June 30, 2021 and 2020 respectively.

LONG TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2021 and 2020 are summarized as follows:

	BALANCE JUNE 30, 2020	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2021	DUE WITHIN ONE YEAR
Revenue bonds payable	140,235,000	102,130,000	(140,235,000)	102,130,000	0
Plus: unamortized premium	0	20,571,750	-	20,571,750	0
Revenue bonds payable, net	140,235,000	122,701,750	(140,235,000)	122,701,750	0
Notes payable	7,000,000	0	(7,000,000)	0	0
Compensated employee absences	583,657	59,429	(57,673)	585,412	
Net pension liability	43,798,692	-	32,375,064	11,423,628	0
Other post employment benefits	(64,431)	426,547	-	362,116	0

	BALANCE JUNE 30, 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2020	DUE WITHIN ONE YEAR
Revenue bonds payable	168,770,000	0	(28,535,000)	140,235,000	1,645,000
Plus: unamortized premium	415,486	0	(415,486)	0	0
Less: unamortized discount	(904,646)	0	904,646	0	0
Revenue bonds payable, net	168,280,840	0	(28,045,840)	140,235,000	1,645,000
Notes payable	0	7,000,000		7,000,000	0
Compensated employee absences	576,117	88,910	(81,370)	583,657	-
Net pension liability	31,277,030	16,202,797	(3,681,135)	43,798,692	0
Other post employment benefits	(220,424)	155,993	-	(64,431)	0

NOTE 7: LINE OF CREDIT

The Authority had an unsecured line of credit with a financial institution. Under the agreement the Authority could borrow up to \$10,000,000 to pay the costs of a facility at the Airport commonly known as a “quick turnaround facility” for use by rental car companies operating at the Airport. The Authority borrowed \$7,000,000 in 2019 and repaid the debt in full on June 18, 2021.

On September 23, 2019, the Authority entered into another line of credit agreement permitting the Authority to borrow up to \$4,956,595 from BBVA Compass. The Authority did not utilize this line of credit and the agreement expired on July 10, 2020.

NOTE 8: REVENUE BONDS PAYABLE

SERIES 2010

On December 22, 2010, the Authority issued the Birmingham Airport Authority Airport Revenue Bonds, Series 2010 in the amount of \$151,705,000. The Series 2010 Bonds were issued to provide funds for certain airport improvements, primarily the renovation of the main terminal building at the Airport.

The Series 2010 Bonds mature no later than July 1, 2040 and require semi annual interest payments on January 1 and July 1, beginning January 1, 2011, at rates ranging between 3 and 6 percent. Principal payments on the Series 2010 Bonds are due annually beginning July 1, 2011.

The Series 2010 net bond proceeds of \$146,267,329 (after payment of \$3,677,933 issuance cost) were deposited into the Series 2010 Capitalized Interest Account (\$10,704,988), the Reserve Fund (\$10,448,058) and the 2010 Construction Fund (\$125,114,283).

The Series 2010 Bonds were defeased by the Authority on August 10, 2020 on payment of \$138,590,000 in principal and \$ 810,329 in interest payment to bondholders. The Authority is expected to reduce its aggregate debt service payments over the next 20 years and will obtain an economic gain (difference between the present value of debt service of the refunding bonds and the Series 2010 Airport Revenue Bonds) estimated to be \$19,151,473.

SERIES 2020

On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of \$102,130,000 and a premium of \$19,959,828, for a total of \$122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority’s Series 2010 Bonds outstanding in the principal amount of \$138,590,000. Other sources of funds used to refund the Series 2010 bonds included \$19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semiannual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4 and 5.0 percent. Principal payments on the Series 2020 Bonds are due annual beginning July 1, 2023.

The Series 2020 net bond proceeds of \$139,386,888 (after payment of \$1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds.

NOTE 8: REVENUE BONDS PAYABLE (CONTINUED)

A summary of the revenue bonds payable for the years ended June 30, 2021, and 2020 are summarized as follows:

	MATURITY YEAR	ORIGINAL INTEREST RATE RANGE	FACE VALUE OUTSTANDING JUNE 30, 2021	FACE VALUE OUTSTANDING JUNE 30, 2020
Series 2020, \$102,130,000 original principal	2040	4% - 5%	\$ 102,130,000	-
Series 2010, \$151,705,000 original principal	2040	3% - 6%	-	\$ 140,724,166
Total principal			102,130,000	140,724,166
Less: Current maturities			-	(1,645,000)
Less: Unamortized discount			-	(489,159)
Less: Unamortized premium			20,571,750	-
Total revenue bonds payable			<u>\$ 122,701,750</u>	<u>\$ 138,590,007</u>

The following shows debt service to maturity for the Series 2020 Bonds:

FYE JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2021	0	\$ 4,660,578	\$ 4,660,578
2022	0	4,766,500	4,766,500
2023	5,230,000	4,766,500	9,996,500
2024	5,490,000	4,505,000	9,995,000
2025	5,765,000	4,230,500	9,995,500
2026 - 2030	33,460,000	16,528,250	49,988,250
2031 - 2035	23,310,000	9,128,500	32,438,500
2036 - 2040	28,875,000	3,555,600	32,430,600
Total	<u>\$ 102,130,000</u>	<u>\$ 52,141,428</u>	<u>\$ 154,271,428</u>

NOTE 9: CAPITAL CONTRIBUTIONS

Since its inception, the Authority has received capital contributions from the City of Birmingham, in the form of net assets transferred as of the date of inception, and through Federal grants and Passenger Facility Charges as follows:

CAPITAL CONTRIBUTIONS			
	Inception To-Date	2021	2020
City of Birmingham	\$12,359,477	-	-
Federal	410,696,522	28,442,950	7,548,115
Passenger Facility Charges	114,285,311	3,182,058	4,075,347
Total	\$537,341,310	\$31,620,721	\$11,623,462

NOTE 10: PENSION PLAN

Plan Description

The Authority contributes to the City of Birmingham Retirement and Relief System a single employer defined benefit pension plan ("the Plan"). This system covers substantially all employees and certain elected officials and appointed employees. Membership is mandatory for covered employees and is effective upon employment. Employees contribute 7.0% of payroll, exclusive of overtime. The City of Birmingham ("the City") is required by statute to fund that part of current service cost and past service cost which exceeds participants' contributions as determined by annual actuarial studies. The City acts as trustee for the Plan.

At June 30, 2021, pension plan membership consisted of the following:

ASSET CLASS	TARGET ALLOCATION
Retirees or Beneficiaries Currently Receiving Benefits	3,426
Inactive Members Due a Refund of Contributions	299
Inactive Plan Members Entitled but Not Receiving Benefits	413
Active Plan Members	3,624
TOTAL	7,762

NOTE 10: PENSION PLAN (CONTINUED)

Funding Policy

The funding methods and determination of benefits payable were established by the legislative acts creating the Plan and provide that the Plan's fund is to be accumulated from employee contributions, employer contributions, and income from the investment of accumulated funds. The cost of administering the Plan is funded by the City. The Plan's financial statements and required supplementary information is presented in the City's, June 30, 2021, comprehensive annual financial report, which can be found online at <https://data.birminghamal.gov/dataset/comprehensive-annual-financial-reports>.

Summary of Significant Accounting Policies

The activities and the financial statements of the Plan are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The Plan's cash assets are invested in equity and fixed income securities and are reported at fair value. Investments are traded on the national exchange.

The Authority's payroll for employees covered by the pension plan was \$6,781,282 and \$7,104,956 and the total payroll was \$7,576,613 and \$8,056,191 for the years ended June 30, 2021 and 2020, respectively.

The following are disclosure requirements of that all inclusive actuarial assumption valuation, as of the last actuarial study of June 30, 2020, for the Plan.

BENEFITS PROVIDED**Retirement and Relief System (Tier I Participants)**

A participant hired prior to July 1, 2017, may retire at (a) age 60 if they have completed 5 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.50% of final average salary for each year of credited service. This amount cannot be greater than 75.0% of the final average salary nor less than \$400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36 month period of the employee's last ten years of participation. A participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

Disability

A Tier I participant is eligible for disability benefits after 5 years of credited service. The benefit amount is 2.00% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than \$400.

Extraordinary Disability

If a Tier I or Tier II participant become disabled as the result of a job related injury, they may be eligible for an extraordinary disability benefit regardless of years of service. The benefit begins on the date the participant ceases to receive a salary as an employee, provided the Pension Board has approved the application. The benefit amount is 70% of the participant's monthly salary at the time of the accident.

Termination

To a Tier I participant terminating prior to eligibility for a pension from the plan, a lump sum of contributions without interest is payable. Tier I participants terminating after 5 years of credited service who leave their contributions in the Plan have a non forfeitable right to a monthly pension beginning at age 60. The form and amount of the pension are the same as the Normal pension.

NOTE 10: PENSION PLAN (CONTINUED)

Optional Benefit Forms

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit including a joint and survivor annuity reduced as described above, a partial lump sum option or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

Death Benefits

If a Tier I participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier I participant or vested inactive Tier I participant dies, 60% of the accrued pension benefit, multiplied by the service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 5 years – 50%; 6 years – 60%; 7 years – 70%, 8 years – 80%; 9 years – 90%; 10 or more years – 100%. The spousal benefit is deferred to the date the Tier I participant would have been age 60 or would have accrued 20 years of credited service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

Deferred Retirement Option Plan (DROP)

A Tier I participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36 month Back DROP. The participant's monthly benefit will be calculated using credited service and final average salary as of the Back DROP date, and the participant will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

Retirement and Relief System (Tier II Participants)

A participant hired on or after July 1, 2017, may retire at (a) age 62 if they have completed 10 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.25% of final average salary for each year of credited service. This amount cannot be greater than 67.5% of the final average salary nor less than \$400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36 month period of the employee's last ten years of participation. A Tier II participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

Disability

A Tier II participant is eligible for disability benefits after 10 years of credited service. The benefit amount is 2.00% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than \$400.

Termination

To a Tier II participant terminating prior to eligibility for a pension from the plan, a lump sum of contributions without interest is payable. Tier II participants terminating after 10 years of credited service who leave their contributions in the Plan have a non forfeitable right to a monthly pension beginning at age 62. The form and amount of the pension are the same as the Normal pension.

Death Benefits

If a Tier II participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier II participant or vested inactive Tier II participant dies, 60% of the accrued pension benefit, multiplied by the applicable service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 10 years – 50%; 11 years – 60%; 12 years – 70%, 13 years – 80%; 14 years – 90%; 15 or more years – 100%. The spousal benefit is deferred to the date the Tier II participant would have been age 62 or would have accrued 20 years of credited service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

NOTE 10: PENSION PLAN (CONTINUED)

Optional Benefit Forms

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit including a joint and survivor annuity reduced as described above, a partial lump sum option or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

Deferred Retirement Option Plan (DROP)

A Tier II participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36 month Back DROP. The participant’s monthly benefit will be calculated using credited service and final average salary as of the Back DROP date and the employee will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

CONTRIBUTIONS

Prior to July 1, 2017, the City, the Authority, EMA and E911 participants each contributed one half of the required contribution payable as a percent of compensation for the year, exclusive of overtime and subject to statutory limits. The participants and City contributions were equal to 7.0% and 7.0%, respectively, effective July 1, 2015, and continuing through June 30, 2017. Effective July 1, 2017, however, the City contributions increase to 7.25%. Effective July 1, 2018, the City contributions increase to 8.50%, and effective July 1, 2019, the City contributions increase to 12%. The participants contribute at the rate of 7.0%. Health Department participants contribute 6.00%. The plan is funded by contributions from participants, the City, the Authority, EMA, E911, Health Department and income from the investment of accumulated funds.

Investments

Investment Policy

The following was the City’s adopted asset allocation policy as of June 30, 2021:

ASSET CLASS	TARGET ALLOCATION
Large cap domestic equity	30%
Small and mid cap domestic equity	10%
International equity	27%
Core fixed income	11%
Short term high yield fixed income	4%
Private equity	15%
Cash	2%
Other fixed income	1%
Total	100%

NOTE 10: PENSION PLAN (CONTINUED)

Concentrations

The Plan did not hold investments in any one organization that represented 5 percent or more of the Pension Plan’s fiduciary net position.

Rate of Return

For the year ended June 30, 2021, the annual investment rate of return on Plan investments, net of pension plan investment expenses, was an assumed 7.50 percent. The annual investment rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net Pension Liability

The Net Pension Liability (NPL) for the plan was measured as of June 30, 2021, and 2020. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total Pension Liability (TPL) was determined from actuarial valuations as of June 30, 2021, and 2020, respectively.

Actuarial Assumptions

The total pension liability as of June 30, 2021, and 2020 used the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.5%
Salary increases	2.5%, plus age related (General Employees) or service related (Fire and Police) salary scale
Investment rate of return	7.5%, including inflation, net of pension plan investment expense
Municipal bond rate	2.16% as of June 30, 2021; 2.21% as of June 30, 2020
Blended discount rate	7.50% as of June 30, 2021; 4.12% as of June 30, 2020

Pre retirement mortality rates are based on the sex distinct RP 2014 Blue Collar Employee Mortality Table, set forward two years for males and four years for females. Healthy annuitant mortality rates are based on the sex distinct RP 2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for males and four years for females. Disabled mortality rates are based on the sex distinct RP 2014 Disabled Retiree Mortality Table. All mortality tables are projected generationally using the MP-2015 improvement scale.

Target Asset Allocation

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

ASSET CLASS	TARGET ALLOCATION	LONG TERM EXPECTED REAL RATE OF RETURN*
Large cap domestic equity	30%	6.05%
Small and mid cap domestic equity	10%	6.37%
International equity	27%	5.05%
Core fixed income	11%	1.65%
Short term high yield fixed income	4%	3.25%
Private equity	15%	9.85%
Cash	2%	0.85%
Other fixed income	1%	3.75%
Total	100%	

Discount Rate

The discount rates used to measure the Total Pension Liability (TPL) were 7.50% and 4.12% as of June 30, 2021, and June 30, 2020, respectively. The projection of cash flows used to determine the 2021 discount rate assume employee contributions will continue to be made at 7.00% of compensation and City contributions will be 14.50% of compensation beginning July 1, 2020.

In addition, there are anticipated contributions from the City and the Supplemental System to the Retirement and Relief System, on behalf of Fire and Police retirees who are receiving benefits from the Supplemental System. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, and the fact that the City is expected to begin contributing the Actuarially Determined Contribution, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for 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 as of June 30, 2021.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability (NPL) of the Retirement and Relief System as of June 30, 2021, which is allocated to all employers, calculated using the discount rate of 7.50%, as well/as what the Retirement and Relief System's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$498,269,114	\$328,613,728	\$185,325,186

Net Pension Liability

The Authority has allocated a proportional share of 3.36% of the net pension liability of the City of Birmingham Retirement and Relief System, with the allocation based on July 1, 2021, valuation pay. This basis is intended to measure the proportion of each employer's long term funding requirements. The Authority's allocated share of the net pension liability is \$11,423,628.

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

The following presents the Net Pension Liability (NPL) of the System as of June 30, 2021, which is allocated to all employers, calculated using the discount rate of 7.50%, as well as what the NPL would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Airport Authority's Proportional share of net pension liability	\$16,741,842	\$11,041,421	\$6,226,926

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

For the year ended June 30, 2021, and 2020, the Authority's recognized pension expense is -\$852,070 and \$6,838,488, respectively. On June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	490,510	426,604
Changes of assumptions or other inputs	6,322,406	21,450,928
Change in proportionate share	1,790,112	2,353,240
Net difference between projected and actual earnings on pension plan investments	-	4,131,135
Total	8,603,028	28,361,907

	2020	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	645,918	723,981
Changes of assumptions or other inputs	11,495,173	4,137,522
Change in proportionate share	2,823,391	1,329,258
Net difference between projected and actual earnings on pension plan investments	2,255,426	-
Total	17,219,908	6,190,761

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

YEAR ENDED	RECOGNITION OF DEFERRED OUTFLOWS/ (INFLOWS)
June 30, 2021	N/A
June 30, 2022	-\$5,253,490
June 30, 2023	-\$3,387,385
June 30, 2024	-\$4,468,233
June 30, 2025	-\$6,649,771
Thereafter	0

SCHEDULES OF CHANGES IN PROPORTIONAL SHARE OF NET PENSION LIABILITY – LAST TWO FISCAL YEARS

	2021	2020
Proportional share percentage	3.36%	3.55%
Net pension liability	\$11,041,421	\$43,798,692
Estimated covered payroll	\$6,781,292	\$7,104,956
Net pension liability as percentage of covered payroll	162.82%	616.45%

DETAILED DEVELOPMENT OF PENSION EXPENSE FOR THE YEAR ENDED JUNE 30, 2021, AND 2020	2021	2020
Service cost	1,882,597	1,596,678
Interest on Total Pension Liability	3,086,301	3,474,423
Expensed portion of current-period changes in proportionate share	(366,764)	(310,729)
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	39,177	(88,737)
Expensed portion of current-period changes of assumptions or other inputs	(4,852,378)	1,580,728
Member contributions	(438,618)	(499,325)

	2021	2020
Projected earnings on plan investments	(2,425,777)	(2,701,164)
Expensed portion of current-period differences between actual and projected earnings on plan investments	1,469,803	484,608
Administrative expense	14,579	12,658
Recognition of beginning of year deferred outflows of resources as pension expense	5,480,965	4,827,524
Recognition of beginning of year deferred inflows of resources as pension expense	(2,392,542)	(2,439,098)
Net amortization of deferred amounts from changes in proportion share	(590,193)	(279,464)
Total expense	(852,070)	(6,838,488)

NOTE 11: OTHER POST EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN:

Plan Description

The Authority's defined benefit other post employment benefits (OPEB) Plan, the Birmingham Airport Retiree Medical and Life Insurance Plan (BARMLIP), provides OPEB for all permanent full time employees of the Authority. BARMLIP is a single employer defined benefit OPEB plan administered by the Authority. Article III of the Lease and Use agreement with the City of Birmingham grants the Authority the right to establish benefit terms and financing requirements. The plan doesn't have a stand alone financial report.

On October 22, 2018, the Authority's Board of Directors authorized the creation and funding of an investment OPEB Trust to meet the requirements of GASB 85. The purpose of the OPEB Trust was for the Authority to meet its liability for the payment of health and related benefits for its retired employees under long established employee benefit plans. Management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is administered by the management of the Authority, and it's governed by the Chief Financial Officer and in his absence by the CEO/President. The Authority's Board of Directors authorized an OPEB Trust Investment Policy on November 11, 2018.

As of June 30, 2021, the OPEB Trust has a balance of \$1,389,747 and is underfunded by \$362,116. There were no contributions made to the OPEB Trust during fiscal year 2021.

Benefits Provided

The Authority provides healthcare and life insurance benefits for retirees. The Authority adopted a policy to pay for the cost of postemployment health insurance for eligible employees. Employees of the Authority must meet the following eligibility requirements for pension benefits as defined by the City of Birmingham Retirement and Relief System for retirement:

- Retirees with 30 years of service at any age
- Retirees with 5 or more years of service and age 60 or older
- Retirees receiving disability pension benefits
- Retirees with 25 or more years of service and age 55 or older

Retirees may elect to continue their health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA provides the retirees with health insurance coverage generally for a period of 18 months. Retirees may continue the same coverage (single or family) at the time of retirement. The retiree must elect health insurance coverage under COBRA within 60 days of the retirement date.

Retirees who meet the eligibility requirements, as listed above, are entitled to receive a subsidy amount equal to the amount the Authority pays for single coverage for an active employee. Retirees may receive the subsidy until they reach the age of 65, become Medicare eligible, are covered under another policy or deceased. The benefits paid under this plan are reimbursements for the cost of coverage, and proof of coverage is required.

The retiree is responsible for paying the applicable balance of the monthly health insurance premium. The retiree may elect to have their portion of the health insurance deducted from their monthly pension benefit or elect to mail a check to the Authority by the 10th of each month for their portion.

The plan also provides all retirees with life insurance benefits up to a maximum of \$100,000, of which the Authority pays 100% of the premiums.

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Active participants in valuation:		Retired participants:	
Number	125	Number with Life Insurance	28
Average age	47.43	Average age	73.00
Average years of service	7.42	Number Eligible for Health Insurance Reimbursement	0
Total payroll	\$ 7,119,300		

The Net OPEB Liability was measured as of June 30, 2021, and 2020. Plan Fiduciary Net Position (Plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of July 1, 2020.

NET OPEB LIABILITY		
Reporting Date for Employer under GASB 75	2021	2020
Measurement Date	2021	2020
Components of the Net OPEB Liability		
Total OPEB Liability	\$ 1,751,863	\$ 1,329,464
Plan Fiduciary Net Position	1,389,747	1,393,895
Net OPEB Liability	362,116	(64,431)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	79.33%	104.85%

The Net OPEB Liability was measured as of June 30, 2021, and 2020. Plan Fiduciary Net Position (Plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of July 1, 2020.

SCHEDULE OF CHANGES - OTHER POST-EMPLOYMENT BENEFITS PLAN

REPORTING DATE FOR EMPLOYER UNDER GASB 75	2021	2020
MEASUREMENT DATE	2021	2020
Total OPEB Liability		
Service cost	\$ 114,677	\$ 104,857
Interest	43,252	44,000
Change of benefit terms	-	-
Differences between expected and actual experience	44,771	(64,227)
Changes of assumptions	224,573	93,854
Benefit payments, including refunds of member contributions	(4,874)	(2,597)
Net change in Total OPEB Liability	\$ 422,399	\$ 175,887
Total OPEB Liability — beginning	\$ 1,329,464	\$ 1,153,577
Total OPEB Liability — ending	\$ 1,751,863	\$ 1,329,464
Plan Fiduciary Net Position		
Contributions — employer	\$ 4,874	\$ 2,597
Contributions — employee	-	-
Net investment income	1,422	25,428
Benefit payments, including refunds of member contributions	(4,874)	(2,597)
Administrative expense	(5,570)	(5,534)
Other	-	-
Net change in Plan Fiduciary Net Positions	(\$ 4,148)	\$ 19,894
Plan Fiduciary Net Position — beginning	\$ 1,393,895	\$ 1,374,001
Plan Fiduciary Net Position — ending	\$ 1,389,747	\$ 1,393,895
Net OPEB Liability — ending	\$ 362,116	(\$ 64,431)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	79.33%	104.85%
Covered payroll ⁽¹⁾	\$ 7,119,300	\$ 7,157,316
Plan Net OPEB Liability as a percentage of covered payroll	5.09%	(0.90%)

(1) Covered payroll represents earnable compensation for those eligible for future benefits under the Plan.

Actuarial assumptions and actuarial cost method

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation are shown in the Birmingham Retirement and Relief System Experience Study Report for the five year period ended June 30, 2015. Based on the results of that study as well as professional judgment, no additional demographic changes are warranted at this time and will be assessed again in the next five year review. The Birmingham Airport Authority participates in this pension plan, and the demographic assumptions for “General Employees” of that plan apply to the Birmingham Airport Authority.
Salary Increases:	Age based, from 7.00% at age 20 to 2.50% at age 60.
Discount Rates:	3.00%
Healthcare cost trend rates:	7.00% to 4.50% ultimate in 0.50% increments
Pre retirement:	RP 2014 Blue Collar Employee Mortality Table, set forward two years for males and four years for females, projected generationally using Scale MP– 2015
Healthy annuitants:	RP 2014 Healthy Blue Collar Annuitant Mortality Table, set forward two years for males and four years for females, projected generationally using Scale MP 2015
Disabled annuitants:	RP 2014 Disabled Retiree Mortality Table, projected generationally using Scale MP 2015

The tables above, with adjustments as shown, reasonably reflect the mortality experience of the Birmingham Retirement and Relief System as of the measurement date. The mortality tables were then generationally projected using Scale MP 2015 to reflect future mortality improvement.

Age	NET OPEB LIABILITY RATE (%)		
	MALE	FEMALE	DISABILITY
20	0.06	0.02	0.08
25	0.06	0.02	0.11
30	0.06	0.03	0.14
35	0.07	0.04	0.19
40	0.09	0.07	0.29
45	0.16	0.11	0.47
50	0.27	0.17	0.79
55	0.44	0.25	1.31
60	0.56	0.38	2.12

*Rates shown do not include generational projection.
** 50% of disability is assumed to be on the job disability.

TERMINATION RATES BEFORE RETIREMENT

Years of Service	1	2	3	4	5	6	7	8	9
Rate Withdrawal	10.00	9.00	8.00	7.50	7.00	6.50	6.00	5.50	5.00
Years of Service	10	11	12	13	14	15	16	17 - 20	20 - 30
Rate Withdrawal	4.50	4.00	3.50	3.00	2.50	2.00	1.50	1.00	1.00

Retirement Rates:

Employees are assumed to retire, after meeting the service requirements, in accordance with the following rates:

Age	Rate%
Under 50	0.0
50 - 54	35.0
55 - 60	20.0
61	25.0
62	40.0
63 - 64	25.0
65 - 73	35.0
74 & over	100.0

Salary Scale:

Employees are assumed to retire, after meeting the service requirements, in accordance with the following rates:

Age	Rate%
20	7.00
25	6.25
30	5.50
35	4.75
40	4.00
45	3.50
50	3.00
55	2.75
60	2.50
65	2.50
70 & over	2.50

The salary scale assumption includes an allowance for inflation of 2.50% per year. The assumption is based on the Airport Authority's pay plan, along with analysis completed in conjunction with an Experience Study Report for the five year period ended June 30, 2015.

Per Capita Cost Development:

Medical and Drug	Per capita costs were based on the active premium rates for 2021.
Administrative Expenses	Administrative expenses are included in the premium rates.
Assumed 2021 Average Health Subsidy	35.0
Subsidy (Single employee):	\$371
Assumed Participation:	50% medical, 100% Life Insurance
Dependents:	Not Covered

Pre retirement

Health Care Cost Trend:

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are "net" and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that must be applied to that year's cost to yield the next year's projected cost.

Year Ending	Rate (%)
2021	6.50
2022	6.00
2023	5.50
2024	5.00
2025	4.50

The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

Post retirement Trend:	0%
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Actuarial Cost Method

Entry Age Normal as a level percent of pay Actuarial Cost Method. Entry Age is the age at the time the participant would have commenced employment if the plan had always been in existence. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rate had always been in effect. Actuarial Liability is allocated by salary.

Change in Assumptions	The life insurance participation rate for active employees eligible for retirement was increased from 80% - 100%
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Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the NOL of Airport Authority as well as what the Airport Authority's NOL would be if it were calculated using a discount rate that is 1 percentage point lower (2.00%) or 1 percentage point higher (4.00%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates.

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability (Asset)	\$704,175	\$362,116	\$95,767
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB liability (Asset)	\$362,116	\$362,116	\$362,116

Deferred Outflows of Resources and Deferred Inflows of Resources

The following charts reflect the deferred inflows and outflows of resources related to OPEB. Deferred inflows and outflows are differences between actual and expected experience that are not reflected in the current year's expenses.

OPEB EXPENSE		
Reporting Date for Employer under GASB 75	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2020
Deferred Outflows of Resources		
Changes of assumptions or other inputs	\$272,620	\$83,424
Net difference between projected and actual earnings on OPEB plan investments	48,021	21,403
Difference between expected and actual experience in the Total OPEB Liability	39,800	0
Total Deferred Outflows of Resources	\$360,441	\$104,827
Deferred Inflows of Resources		
Changes of assumptions or other inputs	\$234,102	\$273,119
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	135,944	157,412
Total Deferred Outflows of Resources	\$370,046	\$430,531

Deferred Inflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

Reporting Date for Employer under GASB 75 Year Ended June 30, 2021:

2021	2022	2023	2024	2025	2026	THEREAFTER
N/A	\$(6,437)	(6,437)	(7,554)	(12,067)	(20,129)	43,019

OPEB EXPENSE		
Reporting Date for Employer under GASB 75	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2020
Components of OPEB Expense		
Service cost	\$114,677	\$104,857
Interest on Total OPEB Liability	43,252	44,000
Current period benefit changes	-	-
Expensed portion of current period difference between expected and actual experience in Total OPEB Liability	4,971	(7,139)
Expensed portion of current period changes of assumptions or other inputs	24,949	10,430
Member contributions	-	-
Projected earnings on plan investments	(41,733)	(47,993)
Expensed portion of current period differences between actual and projected earnings on plan investments	8,063	4,513
Administrative expense	5,570	5,534
Other	-	-
Recognition of beginning of year deferred outflows of resources as OPEB expense	16,058	1,117
Recognition of beginning of year deferred inflows of resources as OPEB expense	(60,485)	(53,349)
• Net amortization of deferred amounts from changes in proportion and difference between employer's contributions and proportionate share of contributions		-
OPEB Expense	\$115,322	\$61,970

NOTE 12: DEFERRED COMPENSATION PLAN

The Authority offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the plan), subject only to the claims of the authority's general creditors. Participants' rights under the plan are equal to those of general creditors of the Authority in an amount equal to the fair value of the deferred account for each participant.

It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13: MAJOR CUSTOMERS

From January 1, 2006, until March 1, 2009, the airlines operated without an agreement in place, but were charged rental rates and landing fees based on the methodology contained in the expired agreement. On March 1, 2009, the Authority changed its rate setting methodology to an approach of crediting the Airport's terminal cost center with 25% of all terminal building non airline revenues and calculating landing fees based on a full compensatory methodology.

From July 1, 2011, until August 14, 2016, the Authority entered into a new agreement with each of the six major airlines serving Birmingham. Under the terms of the agreement, the airlines will be charged full compensatory landing fee rates for the airfield and will be charged commercial compensatory rates for the terminal building reduced by a 35% non airline terminal building revenue credit.

From August 15, 2016, until June 30, 2021, the Authority entered into a new five year agreement with each of the four major airlines serving Birmingham. Under the terms of the agreement, the airlines will be charged full compensatory landing fee rates for the airfield and will be charged commercial compensatory rates for the terminal building reduced by a 35% 50% non airline terminal building revenue credit depending on the Capital Improvement Fund balance.

NOTE 14: RISK MANAGEMENT

The Authority 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 Authority has purchased commercial insurance for all risk above minimal deductible amounts. In addition, all tenants and users of the Airport are required to have commercial insurance coverages naming the Authority as additional insured.

Following the events of September 11, 2001, all insurance companies canceled their war risk liability coverage for airlines and airports. During fiscal year 2021, the Authority was able to obtain commercial property and equipment coverage valued at \$497,553,900.38 for a premium of \$421,246.

No liability is recorded on June 30, 2021, for outstanding claims or for any potential claims incurred but not reported as of that date. Settled claims have not exceeded these commercial coverages by any material amounts during the year ended June 30, 2021.

NOTE 15: LITIGATION/CONTINGENCY

The Authority is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its activities. These lawsuits which seek monetary damages that could potentially have an impact on the operations of the Authority. The outcome of these lawsuits is not presently determinable and the status ranges from an early discovery stage to various levels of appeal of judgements. The Authority intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the Authority for such claims or the outcome of such suits.

NOTE 16: RELATED PARTY TRANSACTIONS

The Authority reimburses the City for the cost of providing security and fire protection services to the Airport. Amounts charged by the City are reported as operating expenses during the year incurred and totaled \$4,051,053 and \$4,394,660 for the fiscal years ended June 30, 2021, and 2020, respectively.

NOTE 17: COMMITMENTS

On June 30, 2021, the Authority was committed under contracts for the following construction and planning projects:

	Committed Amount
AARF Building	1,562,343
Runway 24 Glide Slope Improvements	1,453,718
Air Cargo Facility	70,254
Taxiway Golf Rehabilitation	3,094,061
Runway 18 RSA Improvements - Design	286,013
South Cargo Access Road	182,623
New Air Cargo Bldg.	247,250
Land Redevelopment Plan	14,894
New Receiving Building	345,000
BAA Office Expansion	95,450
Land Acquisitions (Churches)	36,226
Airport Beautification Program	1,579,130
TSA BHS Renovation	14,290
Total	\$8,981,252

NOTE 18: PRIOR PERIOD ADJUSTMENT / RESTATEMENT

The Authority implemented GASB Statement 84, Fiduciary Activities, in the fiscal year ending June 30, 2021. The implementation of the statement requires the Authority to shift reporting for the OPEB activity from the Authority's financial statements to the Fiduciary fund financial statements. As a result of this implementation, the Authority's net position at the end of as of June 30, 2020 and 2019 decreased by \$1,393,902 and \$1,374,001, respectively. The net position held in trust for OPEB benefits increased by the same amount for the respective periods.

NOTE 19: RISKS AND UNCERTAINTIES

Nearly two years have passed since the COVID 19 outbreak was declared a pandemic by the World Health Organization. pandemic and resulting restrictions severely disrupted, the economies of the State of Alabama, the United States and other countries.

The Airport, along with all other airports in the United States and abroad, was acutely impacted by the broad based economic shutdown resulting from efforts to mitigate the effects and spread of COVID 19, including massive reductions in flights and declines in passenger volumes. The outbreak adversely affected domestic and international travel and travel related industries. Airlines reported unprecedented downturns in passenger volumes and experienced reduced levels of passenger volumes which, in turn, reduced scheduled service.

Despite the persistence of the COVID-19 Delta variant, the economy for the City of Birmingham area has shown significant improvement over the past year. The Birmingham-Hoover Metropolitan Statistical Area unemployment rate for June 2021 was 3.4%, compared to 7.6% in June 2020. The area's unemployment rate was comparable to the entire state of Alabama (3.3%) but better than the national rate of 5.4%. The worst of the impact on air travel occurred in FY 2021 as passenger enplanements were 50% lower than in the prior year. Despite the dramatic decline, traffic nationally and locally has improved greatly. As of November 2021, passenger enplanements at the Airport were 89% of the enplanements in November 2019. The Authority is currently projecting passenger enplanements to return to fiscal year 2019 levels in fiscal year 2024.

On December 8, 2021, Fitch Ratings affirmed the Authority's A- bond rating and revised the Airport's outlook from negative to stable based on steady passenger recovery trends coupled with prudent financial and debt management throughout the pandemic. Notwithstanding the positive signs and improvements, the industry has experienced since the peak of travel disruptions, COVID-19 remains a threat to air travel and there may be future variants that could have severe negative impacts to airlines and airports.

NOTE 20: SUBSEQUENT EVENTS

The Authority and the airlines mutually agreed to allow the current Airport Use and Lease agreement to expire on June 30, 2021. The expired agreement is in holdover status on a month-to-month basis until June 30, 2022. The Authority and the airlines have begun negotiating a new agreement and have held several meetings since June 10, 2021. The Authority and the airlines anticipate that the new agreement will be completed during fiscal year FY 2022 and will go into effect on July 1, 2022.

SCHEDULE OF THE PLAN'S FIDUCIARY NET POSITION AS PERCENTAGE OF TOTAL PENSION LIABILITY

PENSION LIABILITY	2021	2020	2019
Total Pension Liability	\$1,550,750,248	\$2,227,765,845	\$1,973,741,484
Less: Plan Fiduciary Net Position	1,210,761,324	993,999,847	1,042,877,491
City's Net Position Liability	\$339,988,924	\$1,233,765,998	\$930,863,993
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.08%	44.62%	52.84%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

The following tables present the allocation of Net Pension Liability between the City, the Authority, and the Emergency Communication District:

Allocation of June 30, 2021 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	\$194,762,832	96.40%	\$327,749,324
Authority	6,781,292	3.36%	11,423,628
Emergency Communication District	482,354	0.24%	815,972
Total for All Employers	\$202,026,478	100.00%	\$339,988,924

Allocation of June 30, 2020 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	\$192,695,044	96.23%	\$1,187,253,019
Authority	7,104,956	3.55%	43,798,694
Emergency Communication District	434,161	0.22%	2,714,285
Total for All Employers	\$200,234,161	100.00%	\$1,233,765,998

Allocation of June 30, 2019 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	\$200,827,204	96.47%	\$898,004,494
Authority	6,991,168	3.36%	31,277,030
Emergency Communication District	356,972	0.17%	1,582,469
Total for All Employers	\$208,175,344	100.00%	\$930,863,993

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

SCHEDULES OF EMPLOYER CONTRIBUTIONS – PENSION PLAN

	2021	2020	2019	2018	2017
Actuarially determined contribution*	\$33,322,262	\$32,166,230	\$31,146,931	\$30,063,990	\$30,564,212
Contribution in relation to the actuarially determined contribution	28,280,924	24,225,209	19,652,651	17,276,073	16,554,808
Contribution deficiency (excess)	5,041,338	7,941,021	11,494,280	12,787,917	14,009,404
	186,487,229	201,581,514	197,988,943	202,177,529	200,441,743
Covered payroll**	15.17%	12.02%	9.93%	8.55%	8.26%
Contributions as percentage of covered payroll	12.02%	9.93%	8.55%	8.26%	8.28%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

The following methods and assumptions are used to determine contribution rates:

ACTUARIAL COST METHOD ENTRY AGE NORMAL	
Actuarial cost method	Entry age actuarial cost method
Amortization Method	Level Percent of Payroll, using 2.50% annual increases
Remaining	Rolling 30 years
Amortization Period	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Actuarial assumptions:

Investment rate of return	7.50%, including inflation, net of pension plan investment expense
Inflation rate	2.50%
Projected salary increases	2.50%, plus age related salary scale based on participant group

The Plan's financial statements and required supplementary information is presented in the City's, June 30, 2021, comprehensive annual financial report, which can be found online at <https://data.birminghamal.gov/dataset/comprehensive-annual-financial-reports>.

Notes to the schedule:

*The actuarially determined contribution is equal to the total calculated contribution in the most recent actuarial valuation, minus the portion expected to be covered by employee contributions.

**Payroll is estimated based on the actual employee contributions received and a 7.00% contribution rate.

Notes:
Valuation date: Actuarially determined contribution rates are calculated using a July valuation date as of the beginning of the fiscal year in which contributions are reported.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - AIRPORT AUTHORITY

Reporting Date for Employment under GASB 68 and of June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll ⁽²⁾	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	3.28%	\$23,196,736	\$6,561,763	353.47%	59.48%
2018	3.67%	26,073,673	7,494,780	347.89%	59.19%
2019	3.36%	31,277,030	6,991,168	447.38%	52.84%
2020	3.55%	43,798,692	7,104,956	616.45%	44.62%
2021	3.36%	11,423,628	6,781,292	168.46%	78.08%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

(2) Payroll is estimated on the employee contributions received and a 7.0% contribution rate.

SCHEDULE OF CONTRIBUTIONS — OTHER POST-EMPLOYMENT BENEFITS PLAN

YEAR ENDED JUNE 30:	ACTUARILLY DETERMINED CONTRIBUTIONS ⁽²⁾	CONTRIBUTIONS IN RELATION TO THE ACTUARILLY DETERMINED CONTRIBUTIONS	CONTRIBUTION DEFICIENCY/ (EXCESS)	COVERED-EMPLOYEE PAYROLL ⁽³⁾	CONTRIBUTION AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL
2018	\$228,002	\$15,211	\$212,791	\$7,726,430	0.19%
2019	228,002	1,373,750	(1,145,748)	6,937,207	0.20%
2020	-	2,597	(2,597)	7,157,316	0.04%
2021	-	4,874	(4,874)	7,119,300	0.07%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

(2) All "Actuarially Determined Contributions" through June 30, 2017, were determined as the "Annual Required Contribution" under GASB 43 and 45.

(3) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

Notes to Schedule of Contributions - Other Post-Employment Benefit Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of July 1.
Discount Rate	Beginning of year GASB 75 discount rate.
Asset Method	Market Value
Actuarial cost method	Entry Age Actuarial Cost Method for fiscal 2018 and later, Projected Unit Credit for fiscal 2017
Amortization method	30 years, open, level dollar
Remaining amortization period	30 years

SCHEDULE OF INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFIT PLAN

YEAR	ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE
2019	1.12%
2020	1.85%
2021	0.10%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

SCHEDULE OF CHANGES - OTHER POST-EMPLOYMENT BENEFITS PLAN

REPORTING DATE FOR EMPLOYER UNDER GASB 75	2021	2020	2019	2018
MEASUREMENT DATE	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 114,677	\$ 104,857	\$ 149,784	\$ 157,857
Interest	43,252	44,000	58,565	50,036
Change of benefit terms	-	-		
Differences between expected and actual experience	44,771	(64,227)	(110,006)	(21,092)
Changes of assumptions	224,573	93,854	(304,568)	(51,762)
Benefit payments, including refunds of member contributions	(4,874)	(2,597)	(7,420)	(15,211)
Net change in Total OPEB Liability	\$ 422,399	\$ 175,887	(\$ 213,645)	\$ 119,828
Total OPEB Liability — beginning	\$ 1,329,464	\$ 1,153,577	\$ 1,367,222	\$ 1,247,394
Total OPEB Liability — ending	\$ 1,751,863	\$ 1,329,464	\$ 1,153,577	\$ 1,367,222
Plan Fiduciary Net Position				
Contributions — employer	\$ 4,874	\$ 2,597	\$ 1,373,750	\$ 15,211
Contributions — employee	-	-	-	-
Net investment income	1,422	25,428	7,671	-
Benefit payments, including refunds of member contributions	(4,874)	(2,597)	(7,420)	(15,211)
Administrative expense	(5,570)	(5,534)	-	-
Other	-	-	-	-
Net change in Plan Fiduciary Net Positions	(\$ 4,148)	\$ 19,894	\$ 1,374,001	\$ 0
Plan Fiduciary Net Position — beginning	\$ 1,393,895	\$ 1,374,001		
Plan Fiduciary Net Position — ending	\$ 1,389,747	\$ 1,393,895	\$ 1,374,001	\$ 0
Net OPEB Liability — ending	\$ 362,116	(\$ 64,431)	(\$ 220,424)	\$ 1,367,222
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	79.33%	104.85%	119.11%	0.00%
Covered payroll ⁽²⁾	\$ 7,119,300	\$ 7,157,316	\$ 6,937,207	\$ 7,726,430
Plan Net OPEB Liability as a percentage of covered payroll	5.09%	(0.90%)	(3.18%)	17.70%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

(2) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.



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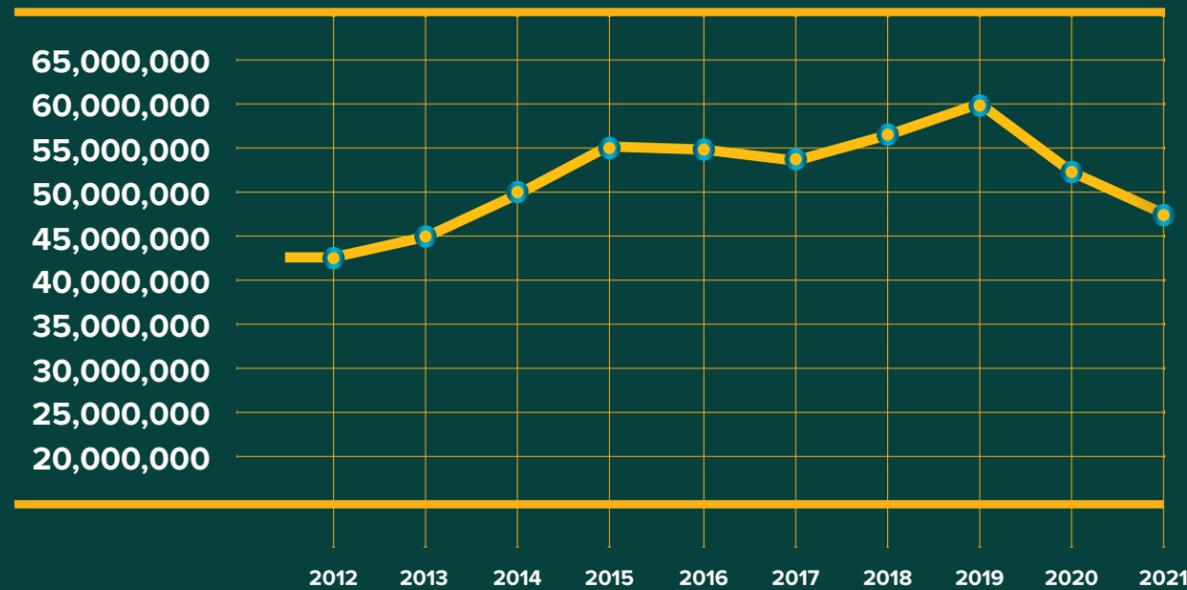
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REVENUES 2012 - 2021



EXPENSES 2012 - 2021



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES	42,589,003	45,415,867	50,074,696	54,151,129	54,355,603	54,082,564	56,952,622	60,739,232	52,284,524	47,595,723
EXPENSES	38,285,004	39,817,545	38,203,374	52,078,824	56,152,004	55,647,182	57,466,091	58,306,369	59,869,194	48,323,412

Source: Birmingham Airport Authority Records

NET POSITION AT YEAR END

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Investment in Capital Assets	\$ 327,681,748	\$ 344,957,529	\$ 367,798,716	\$ 361,560,555	\$ 358,269,422	\$ 353,534,611	\$ 351,827,237	\$ 353,013,496	\$ 388,862,507	\$ 421,175,955
Restricted net position										
Restricted for debt service	27,004,507	20,313,401	22,797,506	23,108,351	23,613,285	24,041,654	24,581,248	25,294,000	15,733,499	55,637
Federal grants and programs	4,611,371	5,431,811	9,427,381	14,186,556	19,075,186	18,903,430	17,802,172	17,609,106	5,380,857	9,311,991
Compensation plan	-	1,501,515	-	-	-	-	-	-	-	-
Unrestricted	19,875,139	14,235,396	18,624,099	27,179,399	30,881,474	39,014,644	40,779,939	43,879,762	29,782,953	36,942,155
Total Net Position	\$ 379,172,765	\$ 386,439,652	\$ 418,647,702	\$ 426,034,861	\$ 431,839,367	\$ 435,494,339	\$ 434,990,596	\$439,796,364	\$439,759,816	\$467,485,738

Source: Birmingham Airport Authority Records

NET POSITION AS OF JUNE 30 FOR EACH OF THE YEARS PRESENTED



PFC COLLECTIONS

	2012	2013	2014	2015
	\$ 5,596,859	\$ 5,573,339	\$ 5,473,591	\$ 5,263,847
Year-Over-Year Change	-7.6%	-0.4%	-1.8%	-3.8%

	2016	2017	2018	2019	2020	2021
	\$5,095,712	\$5,223,462	\$5,710,690	\$6,139,766	\$4,075,347	\$3,182,058
	-3.2%	2.5%	9.3%	7.5%	-33.6%	-21.9%

Source: Birmingham Airport Authority Records, Airline PFC Remittance Reports

CHANGE IN NET POSITION REVENUES AND EXPENSES

OPERATING REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Space Rentals	\$ 6,539,542	\$ 7,116,657	\$ 9,808,742	\$ 11,296,350	\$ 9,273,080	\$ 9,205,501	\$ 9,304,340	\$ 9,534,948	\$ 9,786,670	\$ 9,151,007
Parking (including valet)	13,048,872	13,115,821	12,545,705	12,764,253	14,344,228	13,751,891	14,412,546	15,537,390	11,646,835	6,895,580
Concession fees	6,525,438	6,301,301	6,530,087	7,057,996	7,424,080	7,506,344	7,627,200	8,063,497	6,675,117	4,865,312
Landing fees and fuel flowage	8,592,891	8,755,509	9,543,315	10,589,617	10,442,190	10,643,438	11,510,897	11,000,021	9,179,299	8,549,990
Ground hangar rentals	1,433,185	1,559,544	1,441,475	1,445,876	1,545,886	1,458,502	1,552,899	2,503,650	2,609,027	2,725,107
Federal grants (CARES and CRRSAA)	-	-	-	-	-	-	-	-	2,374,536	7,147,198
Other revenues	739,588	694,312	908,900	899,430	1,016,731	1,263,601	1,297,456	1,269,451	1,205,699	1,681,113
Total Operating Revenues	\$ 36,879,516	\$ 37,543,144	\$ 40,778,224	\$ 44,053,522	\$ 44,046,195	\$ 43,829,278	\$ 45,705,337	\$ 47,908,957	\$ 43,477,183	\$ 41,015,307
NON-OPERATING REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Passenger facility charges	\$ 5,592,413	\$ 5,571,815	\$ 5,175,057	\$ 5,241,743	\$ 5,258,436	\$ 5,208,341	\$ 5,708,601	\$ 6,135,296	\$ 4,057,275	\$ 3,175,906
Customer facility charges	-	2,172,432	4,480,839	4,725,271	4,830,565	4,745,406	4,908,780	5,168,987	3,806,147	2,989,088
Interest income	117,074	220,012	161,504	130,593	110,407	239,243	480,042	1,141,005	948,041	271,625
Gain (loss) on disposal of capital assets	-	(91,536)	(520,928)	-	110,000	-	-	-	-	171,464
Insurance Settlement	-	-	-	-	-	27,283	(10,925)	9,332	(4,591)	(27,667)
Unrealized gain on investments (net)	-	-	-	-	-	33,013	160,787	375,655	469	-
Total Non-Operating Revenues	\$ 5,709,487	\$ 7,872,723	\$ 9,296,472	\$ 10,097,607	\$ 10,309,408	\$ 10,253,286	\$ 11,247,285	\$ 12,830,275	\$ 8,807,341	\$ 6,580,416
Total Revenues	\$ 42,589,003	\$ 45,415,867	\$ 50,074,696	\$ 54,151,129	\$ 54,355,603	\$ 54,082,564	\$ 56,952,622	\$ 60,739,232	\$ 52,284,524	\$ 47,595,723

Source: Birmingham Airport Authority Records

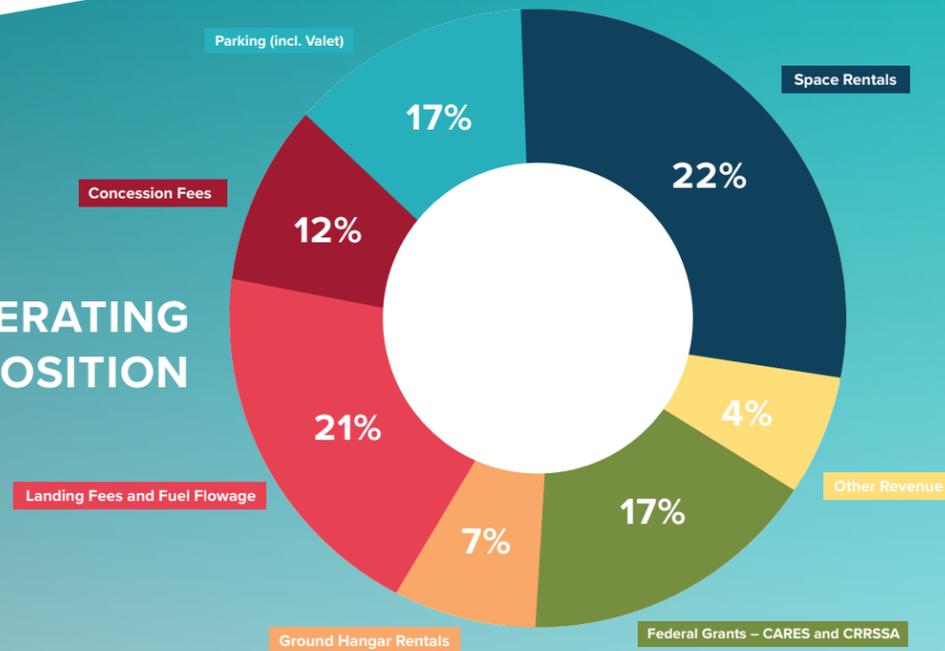
Source: Birmingham Airport Authority Records

CHANGE IN NET POSITION CONT. REVENUES AND EXPENSES

OPERATING EXPENSES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel costs	\$ 10,031,567	\$ 10,231,827	\$ 11,879,459	\$ 11,705,510	\$ 11,279,857	\$ 11,633,387	\$ 12,090,442	\$ 11,227,433	\$ 10,553,021	\$ 9,434,223
Pension expense	-	-	-	1,632,061	4,793,349	3,501,021	3,895,785	4,402,363	6,838,488	-
Security and fire protection	3,400,629	3,729,969	4,078,188	3,920,943	4,080,074	4,520,505	5,473,061	5,232,094	4,394,660	4,051,053
Utilities	1,880,042	1,907,361	1,955,324	2,265,915	2,137,622	1,912,000	2,011,434	2,049,403	1,874,787	1,861,045
Professional services	964,245	1,926,349	1,474,436	1,186,682	735,644	568,201	1,005,640	1,431,208	2,479,098	2,063,127
Materials and supplies	1,511,562	1,114,914	1,253,762	1,401,053	996,564	1,154,405	1,149,967	2,134,973	1,231,465	931,547
Repairs and maintenance	1,815,727	2,231,832	3,024,011	3,126,806	3,619,370	3,627,252	3,607,573	3,581,916	3,362,326	2,729,305
Other services	2,244,243	2,061,635	2,314,143	2,246,992	2,583,089	1,815,147	1,722,739	1,949,824	1,705,153	2,196,470
Total Operating Expenses	\$ 21,848,015	\$ 23,203,887	\$ 25,979,323	\$ 27,485,962	\$ 30,225,569	\$ 28,731,918	\$ 30,956,641	\$ 32,009,214	\$ 32,438,998	\$ 23,266,770
OPERATING EXPENSES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Depreciation and amortization	\$ 12,932,776	\$ 13,447,518	\$ 9,775,644	\$ 15,572,715	\$ 16,311,707	\$ 17,342,863	\$ 17,258,899	\$ 17,361,529	\$ 18,006,437	\$ 19,597,391
NON-OPERATING EXPENSES										
Interest expense	3,480,338	3,213,571	2,479,850	9,011,341	9,606,613	9,572,401	9,250,551	8,935,626	8,777,415	4,142,760
Amortization of bond issuance expense	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	434,313	-
Bond issuance cost	-	-	-	-	-	-	-	-	212,031	1,268,183
Unrealized loss on investments (net)	23,875	(47,431)	(31,443)	8,806	8,115	-	-	-	-	48,308
Total Non-Operating Expenses	\$ 3,504,213	\$ 3,166,140	\$ 2,448,407	\$ 9,020,147	\$ 9,614,728	\$ 9,572,401	\$ 9,250,551	\$ 8,935,626	\$ 9,423,759	\$ 5,459,251
TOTAL EXPENSES	\$ 38,285,004	\$ 39,817,545	\$ 38,203,374	\$ 52,078,824	\$ 56,152,004	\$ 55,647,182	\$ 57,466,091	\$ 58,306,369	\$ 59,869,194	\$ 48,323,412
CONTRIBUTIONS	\$ 21,209,548	\$ 12,759,313	\$ 20,336,728	\$ 6,844,392	\$ 7,600,907	\$ 4,937,446	\$ 9,726	\$ 2,372,906	\$ 7,548,115	\$ 28,530,055
TOTAL CHANGE IN NET POSITION	\$ 25,513,547	\$ 18,357,635	\$ 32,208,050	\$ 8,916,697	\$ 5,804,506	\$ 3,372,828	\$ (503,743)	\$ 4,805,769	\$ (36,555)	\$ 27,802,370

Source: Birmingham Airport Authority Records

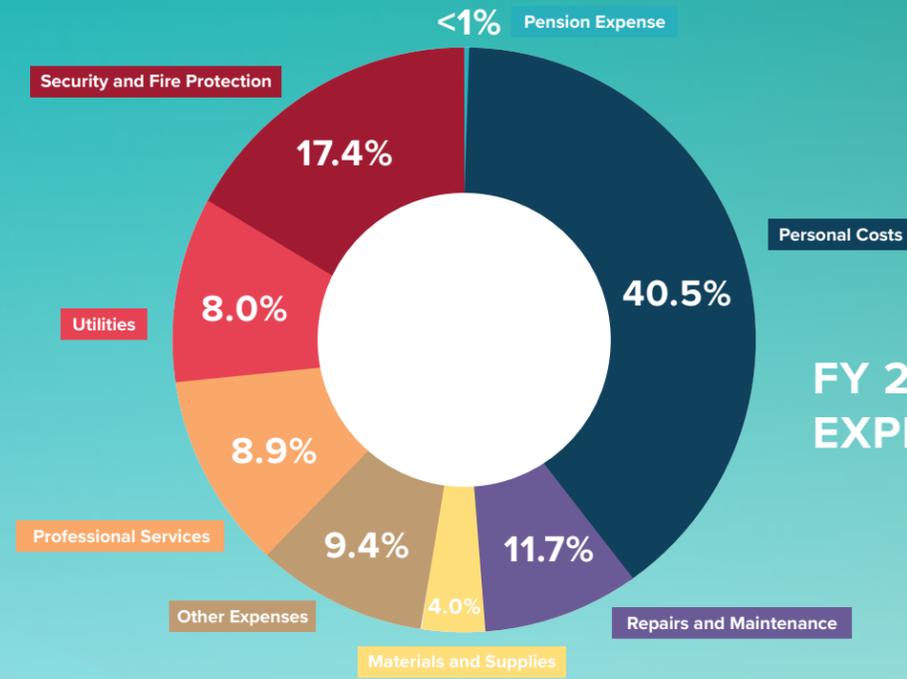
FY 2021 OPERATING REVENUE COMPOSITION



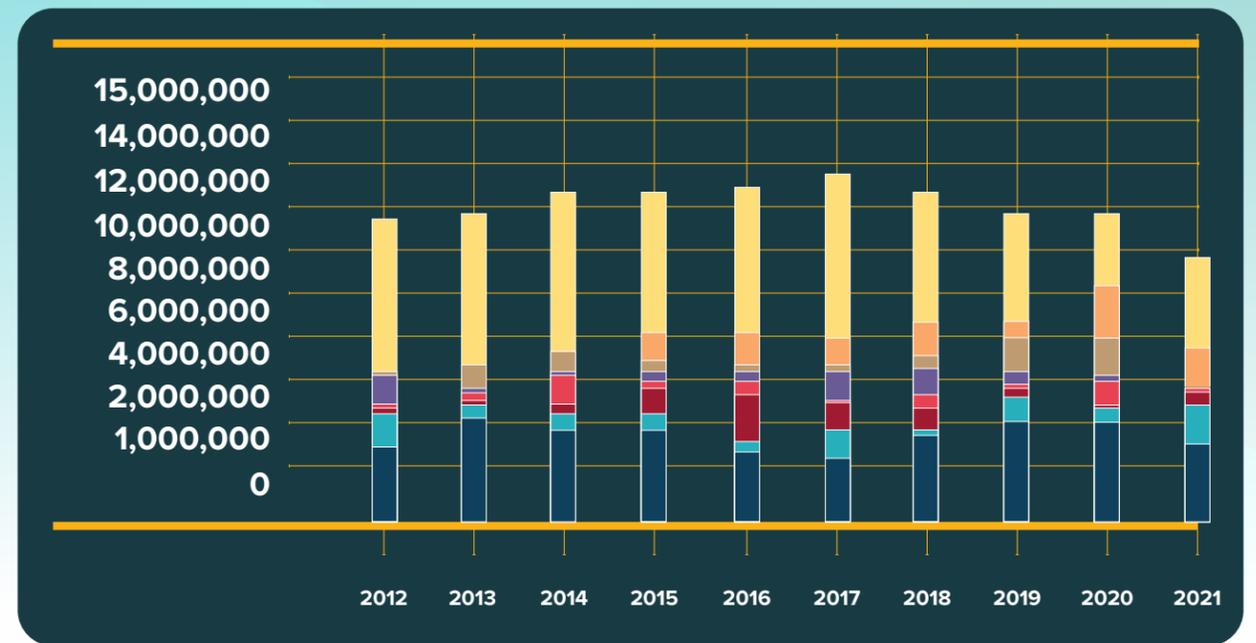
10-YEAR REVENUE COMPOSITION



FY 2021 OPERATING EXPENSES COMPOSITION



10-YEAR EXPENSES COMPOSITION



PLEGGED REVENUES

OPERATING REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Space Rentals:										
Terminal space rentals (1)	\$ 4,732,833	\$ 5,282,069	\$ 7,783,870	\$ 9,312,392	\$ 7,430,336	\$ 7,365,856	\$ 7,165,103	\$ 7,418,264	\$ 7,635,661	\$ 7,451,918
Rental car space rentals	493,446	493,446	500,283	540,766	589,742	597,959	620,816	614,110	635,864	625,456
Government agency space rentals	256,394	262,019	342,920	364,318	411,821	414,254	417,448	434,136	435,778	435,778
Cargo space rentals	605,666	593,077	644,573	436,801	259,688	258,990	512,255	498,990	483,526	263,639
Apron space rentals	451,203	486,046	537,096	642,073	581,493	568,442	588,718	569,448	595,841	374,217
Subtotal	\$ 6,539,542	\$ 7,116,657	\$ 9,808,742	\$ 11,296,350	\$ 9,273,080	\$ 9,205,501	\$ 9,304,340	\$ 9,534,948	\$ 9,786,670	\$ 9,151,007
Parking:										
Auto parking (including valet)	\$ 13,048,872	\$ 13,115,821	\$ 12,545,705	\$ 12,764,253	\$ 14,344,228	\$ 13,751,891	\$ 14,412,546	\$ 15,537,390	\$ 11,646,835	\$ 6,895,580
Subtotal	\$ 13,048,872	\$ 13,115,821	\$ 12,545,705	\$ 12,764,253	\$ 14,344,228	\$ 13,751,891	\$ 14,412,546	\$ 15,537,390	\$ 11,646,835	\$ 6,895,580
Concession fees:										
Concessions (2)	\$ 1,164,766	\$ 1,199,037	\$ 1,490,973	\$ 1,669,687	\$ 1,823,822	\$ 1,986,264	\$ 2,000,980	\$ 2,093,988	\$ 1,615,359	\$ 852,321
Advertising	88,585	41,772	177,869	219,381	279,327	262,755	282,802	350,518	264,683	208,142
Auto rental commission	5,069,106	4,841,917	4,509,543	4,761,518	4,894,995	4,855,051	4,968,309	5,252,786	4,450,500	3,499,571
Miscellaneous (3)	202,981	218,575	351,702	407,410	425,936	402,274	375,108	366,204	344,574	305,278
Subtotal	\$ 6,525,438	\$ 6,301,301	\$ 6,530,087	\$ 7,057,996	\$ 7,424,080	\$ 7,506,344	\$ 7,627,200	\$ 8,063,497	\$ 6,675,117	\$ 4,865,312

Source: Birmingham Airport Authority Records

Notes:

1) Space Rentals, Baggage Handling System and Jet Bridges

2) Food and Beverage, News, and Gift Shops

3) Taxi Fees, Ground Transportation, FBO Fees, Vending Machines, ATMs and Airlines Services

PLEGGED REVENUES CONT.

OPERATING REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Landing fees and fuel flowage:										
Airline landing fees	\$ 7,615,115	\$ 7,715,210	\$ 8,354,275	\$ 9,045,201	\$ 9,095,656	\$ 9,266,125	\$ 10,063,404	\$ 9,531,651	\$ 7,785,308	\$ 6,841,777
Cargo landing fees	650,717	725,314	877,418	1,172,092	971,064	959,063	982,342	971,902	899,231	1,299,541
Fuel flowage	307,698	304,626	304,531	312,429	327,774	340,322	374,666	394,763	346,576	319,489
Other landing fees	19,361	10,359	7,091	59,895	47,696	77,928	90,485	101,705	148,184	89,183
Subtotal	\$ 8,592,891	\$ 8,755,509	\$ 9,543,315	\$ 10,589,617	\$ 10,442,190	\$ 10,643,438	\$ 11,510,897	\$ 11,000,021	\$ 9,179,299	\$ 8,549,990
Ground hangar rentals:										
AAII	\$ 195,000	\$ 150,000	\$ 125,000	\$ 120,000	\$ 200,851	\$ 120,000	\$ 208,759	\$ 200,000	\$ 291,667	\$ 300,000
FBOs	275,295	275,295	275,295	275,295	275,295	275,295	275,295	275,295	275,295	283,998
Executive Hangars	820,068	991,428	898,285	905,862	911,477	879,243	883,616	1,842,503	1,830,062	1,753,467
Car Rental – Service Center	142,822	142,821	142,895	144,719	158,263	183,964	185,229	185,851	212,003	387,642
Subtotal	\$ 1,433,185	\$ 1,559,544	\$ 1,441,475	\$ 1,445,876	\$ 1,545,886	\$ 1,458,502	\$ 1,552,899	\$ 2,503,650	\$ 2,609,027	\$ 2,725,107
Federal grants - CARES and CRRSAA:	-	-	-	-	-	-	-	-	\$ 2,374,536	\$ 7,147,198
Other revenues:										
Badges	\$ 344,633	\$ 75,818	\$ 107,268	\$ 109,540	\$ 95,046	\$ 82,578	\$ 142,210	\$ 115,763	\$ 118,031	\$ 114,833
Courtesy vehicles	208,021	255,401	285,791	339,754	176,519	110,749	149,943	187,491	162,846	71,250
Other operating revenues (4)	186,934	363,093	515,841	450,144	745,166	1,070,274	1,005,303	966,198	924,822	1,495,030
Subtotal	\$ 739,588	\$ 694,312	\$ 908,900	\$ 899,430	\$ 1,016,731	\$ 1,263,601	\$ 1,297,456	\$ 1,269,451	\$ 1,205,699	\$ 1,681,113
TOTAL OPERATING REVENUES	\$ 36,879,516	\$ 37,543,144	\$ 40,778,224	\$ 44,053,522	\$ 44,046,195	\$ 43,829,278	\$ 45,705,337	\$ 47,908,957	\$ 43,477,183	\$ 41,015,307

Source: Birmingham Airport Authority Records

Notes:
4) Fuel farms, AL National Guard, Reimbursement utilities, RON, Per Turn Fees, TSA LEO, Meeting room rent, and Commuter parking. FY 2021 includes a negative pension expense which has been classified as revenue.

PLEGGED REVENUES CONT.

NET REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating revenue	\$ 36,879,516	\$ 37,543,144	\$ 40,778,224	\$ 44,053,522	\$ 44,046,195	\$ 43,829,278	\$ 45,705,336	\$ 47,908,957	\$ 43,477,183	\$ 41,015,307
Interest on investments – revenue fund	117,074	220,012	161,504	130,593	110,407	239,243	480,042	1,141,005	948,041	271,625
Other non-operating revenues	5,592,413	7,652,711	9,134,968	9,967,014	10,199,001	10,014,043	10,767,243	12,830,275	8,807,341	6,408,952
GROSS REVENUES	\$ 42,589,003	\$ 45,415,867	\$ 50,074,696	\$ 54,151,129	\$ 54,355,603	\$ 54,082,564	\$ 56,952,622	\$ 61,880,237	\$ 53,232,565	\$ 47,695,884
LESS: OPERATING EXPENSES DEPRECIATION ADDED	(21,848,015)	(23,203,887)	(25,979,323)	(27,485,962)	(30,225,569)	(28,731,918)	(30,956,641)	(32,009,214)	(32,419,104)	(23,266,770)
NET PLEDGED REVENUE	\$ 20,740,988	\$ 22,211,980	\$ 24,095,373	\$ 26,665,167	\$ 24,130,034	\$ 25,350,646	\$ 25,995,981	\$ 29,871,023	\$ 20,813,461	\$ 24,429,114
Debt Service										
Principal	\$ 5,530,000	\$ 5,765,000	\$ 6,005,000	\$ 6,295,000	\$ 6,590,000	\$ 6,930,000	\$ 7,270,000	\$ 7,625,000	\$ 8,777,415	\$ -
Interest	10,883,438	10,650,638	10,405,138	10,143,900	9,864,700	9,572,400	9,250,550	8,935,625	8,989,446	4,142,760
TOTAL PRINCIPAL AND INTEREST	16,413,438	16,415,638	16,410,138	16,438,900	16,454,700	16,502,400	16,520,550	16,560,625	16,792,415	4,142,760
Less PFC revenue available for debt service	(5,004,188)	(5,002,888)	(5,000,538)	(4,999,338)	(5,001,138)	(5,000,738)	(5,003,738)	(5,000,713)	(5,002,463)	-
Less grant revenue available for debt service	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE	\$ 11,409,251	\$ 11,412,751	\$ 11,409,601	\$ 11,439,563	\$ 11,453,563	\$ 11,501,662	\$ 11,516,813	\$ 11,559,912	\$ 11,789,952	\$ 4,142,760
COVERAGE OF DEBT SERVICE	1.26	1.35	1.47	1.62	1.47	1.54	1.57	1.80	1.24	5.90
Net Required revenue per bond rate covenant	\$ 14,261,563	\$ 14,265,938	\$ 14,262,001	\$ 14,299,453	\$ 14,316,953	\$ 14,377,078	\$ 14,396,016	\$ 14,449,890	\$ 14,737,440	\$ 5,178,450
RATIO OF REQUIRED REVENUE	1.45	1.56	1.69	1.86	1.69	1.76	1.81	2.07	1.41	4.72

Notes:
Debt service requirements is equal to interest expense (excluding amortization of bond discount and amounts provided for payment of interest by bond proceeds and other sources and deposited into a restricted fund for that purpose) for each respective fiscal year ended June 30, plus principal payment payable on the next July 1. Certain passenger facility charge revenue is available to cover required debt service.

Source: Birmingham Airport Authority Records

Net revenues in each fiscal year are required to be at least equal to the larger of either (1) the debt service and reserve transfer requirements of each fiscal year or; (2) 125% of the debt service requirements for such fiscal year.

PLEGGED REVENUES FOR QTA

NET REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Customer facility charge collections	\$ -	\$ 1,652,743	\$ 4,636,133	\$ 4,673,396	\$ 4,577,500	\$ 4,351,870	\$ 5,553,524	\$ 5,085,336	\$ 4,162,963	\$ 2,736,842
Customer facility charge bond	-	-	-	-	-	-	-	-	7,000,000	-
Interest income	-	12	2,689	4,544	36,039	64,079	107,691	166,017	51,082	1,866
TOTAL RESOURCES AVAILABLE FOR QTA EXPENSES	-	\$ 1,652,755	\$ 4,638,822	\$ 4,677,940	\$ 4,613,539	\$ 4,415,949	\$ 5,661,215	\$ 5,251,353	\$ 11,214,045	\$ 2,738,708
TOTAL ANNUAL EXPENSES	-	-	(51)	-	(207,097)	(3,930,703)	(7,206,521)	(7,276,963)	(22,245,840)	(2,457,773)
NET PLEDGED REVENUE	-	\$ 1,652,755	\$ 4,638,771	\$ 4,677,940	\$ 4,406,442	\$ 485,246	\$ (1,545,306)	\$ (2,025,610)	\$ (11,031,795)	\$ 280,935

Notes:

On November 19, 2012, the Authority's Board of Directors elected to impose a Customer Facility Charge of \$5.00 per transaction day in order to fund a Quick Turn Around Facility "QTA" at the Airport.

The Authority borrowed \$7,000,000 from BBVA Compass to pay the costs of the QTA Facility and the costs of issuing the bond. The bond, which was secured by CFC revenue, was repaid in full on June 18, 2021.

No other Airport Funds are pledged toward the payment of QTA expenses.

Source: Birmingham Airport Authority Records, Rental Car Agency CFC Remittance Reports

OUTSTANDING DEBT BY TYPE (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2003A Revenue bonds, fixed rate (2)	\$ 20,820,000	\$ 20,820,000	\$ 20,820,000	\$ 19,665,000	\$ 17,440,000	\$ 15,105,000	\$ 12,640,000	\$ 10,055,000	\$ -	\$ -
2003B Revenue bonds, fixed rate	4,950,000	3,000,000	960,000	-	-	-	-	-	-	-
2007 Revenue bonds, fixed rate (2)	36,180,000	33,810,000	31,330,000	28,720,000	25,980,000	23,110,000	20,085,000	16,915,000	-	-
2010 Revenue bonds, fixed rate (3)	151,205,000	149,995,000	148,750,000	147,470,000	146,140,000	144,755,000	143,315,000	141,800,000	140,235,000	-
2020 Revenue bonds, fixed rate	-	-	-	-	-	-	-	-	-	102,130,300
SUBTOTAL, REVENUE BONDS PAYABLE	\$ 213,155,000	\$ 207,625,000	\$ 201,860,000	\$ 195,855,000	\$ 189,560,000	\$ 182,970,000	\$ 176,040,000	\$ 168,770,000	\$ 140,235,000	\$ 102,130,300
TRIAL BALANCE - LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNAMORTIZED DISCOUNT/PREMIUM	(414,110)	(446,929)	(479,024)	(479,776)	(481,232)	(483,323)	(485,985)	(489,159)	(7)	(20,571,750)
TOTAL OUTSTANDING DEBT PAYABLE	\$ 212,740,890	\$ 207,178,071	\$ 201,380,976	\$ 195,375,224	\$ 189,078,768	\$ 182,486,677	\$ 175,554,015	\$ 168,280,841	\$ 140,234,993	\$ 81,558,550
TOTAL ENPLANED PASSENGERS	1,447,794	1,408,170	1,307,885	1,330,235	1,349,032	1,336,065	1,409,531	1,533,824	1,119,455	747,272
OUTSTANDING DEBT PER ENPLANED PASSENGER	\$ 146.94	\$ 147.13	\$ 153.97	\$ 146.87	\$ 140.16	\$ 136.59	\$ 124.55	\$ 109.71	\$ 125.27	\$ 109.14

Notes:

(1) Includes both current and long-term liabilities (See Note 8)

(2) Defeased by the Authority on December 31, 2019.

(3) Defeased by the Authority on August 10, 2020.

Source: Birmingham Airport Authority Records

PASSENGER STATS BY CARRIER

AIRLINES	Fiscal Year 2014		Fiscal Year 2015		Fiscal Year 2016		Fiscal	Year 2017	Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
	Total Passengers	Market Share														
American Airlines, Inc.	144,085	5.5%	121,600	4.6%	3,851	0.1%	734	0.0%	684	0.0%	544	0.0%	42,690	1.9%	20,631	1.4%
Envoy Air – AA	-	0.0%	81,678	3.1%	88,414	3.3%	73,721	2.8%	111,816	4.0%	109,501	3.6%	101,876	4.5%	121,337	8.1%
American Eagle – AA	81,049	3.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Air Wisconsin – AA	-	0.0%	-	0.0%	134,336	5.0%	81,879	3.1%	6,010	0.2%	-	0.0%	-	0.0%	-	0.0%
Express Jet – AA	-	0.0%	-	0.0%	2,168	0.1%	4,816	0.2%	29,175	1.0%	7,493	0.2%	-	0.0%	-	0.0%
Mesa Airlines – AA	-	0.0%	-	0.0%	146,613	5.4%	168,447	6.3%	156,101	5.5%	226,843	7.4%	123,173	5.5%	65,024	4.4%
PSA Airlines – AA	-	0.0%	-	0.0%	232,405	8.6%	266,838	10.0%	314,256	11.1%	334,649	10.9%	306,600	13.7%	250,492	16.8%
Piedmont Airlines – AA	-	0.0%	-	0.0%	-	0.0%	12,003	0.4%	13,038	0.5%	41,667	1.4%	9,672	0.4%	5,989	0.4%
Tran State – AA	-	0.0%	-	0.0%	-	0.0%	17,739	0.7%	23,600	0.8%	6,116	0.2%	-	0.0%	-	0.0%
BahamasAir – AA	998	0.0%	986	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Republic America – AA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,635	2.0%
SkyWest – AA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	15,185	0.5%	275	0.0%	9,488	0.4%	11,119	0.7%
American Airlines, Inc. Subtotal	226,132	8.7%	204,264	7.7%	607,787	22.6%	626,177	23.5%	669,865	23.8%	727,088	23.7%	593,499	26.4%	504,227	33.8%
US Airways Express	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Aero Mexico – US	-	0.0%	772	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Air Wisconsin – US	18,652	0.7%	94,477	3.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mesa Airlines – US	138,119	5.3%	56,627	2.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
PSA Airlines – US	186,072	7.1%	250,609	9.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
US Airways Express Subtotal	342,843	13.1%	402,485	15.1%	-	0.0%										
Delta Air Lines	657,511	25.2%	726,460	27.3%	746,020	27.7%	724,089	27.1%	765,772	27.2%	804,660	26.2%	595,680	26.5%	254,121	17.0%
Express Jet (ASA) – DL	107,859	4.1%	104,167	3.9%	134,821	5.0%	94,620	3.5%	46,408	1.6%	-	0.0%	-	0.0%	-	0.0%
Endeavor – DL	66,251	2.5%	8,250	0.3%	21,524	0.8%	12,185	0.5%	17,611	0.6%	56,997	1.9%	13,849	0.6%	95,693	6.4%
GoJet – DL	6,909	0.3%	25,704	1.0%	-	0.0%	28,429	1.1%	95,930	3.4%	36,966	1.2%	30,460	1.4%	-	0.0%
Shuttle America – DL	1,728	0.1%	-	0.0%	2,383	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest – DL	-	0.0%	1,251	0.0%	-	0.0%	23,676	0.9%	2,596	0.1%	92,542	3.0%	75,519	3.4%	-	0.0%
Republic – DL	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	21,359	1.0%	-	0.0%
Compass – DL	22,353	0.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Delta Air Lines Subtotal	862,611	33.0%	865,832	32.5%	904,748	33.6%	882,999	33.1%	928,317	32.9%	991,165	32.3%	736,867	32.8%	349,814	23.4%
Southwest Airlines	929,244	35.6%	904,018	34.0%	883,260	32.8%	855,357	32.1%	852,572	30.2%	903,211	29.5%	608,480	27.1%	428,227	28.7%
United Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	480	0.0%	1,673	0.1%	2,624	0.1%	269	0.0%
Express Jet – UA	221,866	8.5%	222,047	8.3%	164,076	6.1%	185,951	7.0%	139,756	5.0%	108,650	3.5%	55,518	2.5%	6,959	0.5%
Mesa – UA	-	0.0%	123	0.0%	64	0.0%	-	0.0%	13,435	0.5%	55,504	1.8%	60,999	2.7%	61,361	4.1%
Skywest – UA	30,003	1.1%	62,304	2.3%	135,060	5.0%	93,068	3.5%	104,017	3.7%	90,458	3.0%	120,365	5.4%	99,840	6.7%
Republic – UA	-	0.0%	-	0.0%	-	0.0%	23,154	0.9%	57,291	2.0%	11,191	0.4%	18,657	0.8%	21,616	1.4%
Air Wisconsin – UA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,670	0.2%	14,753	0.5%	12,009	0.5%	2,455	0.2%
GoJet – UA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	25,820	0.9%	81,722	2.7%	1,709	0.1%	3,905	0.3%
CommutAir – UA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,494	1.0%
Trans State – UA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	8,620	0.3%	8,552	0.4%	-	0.0%
United Airlines Subtotal	251,869	9.6%	284,474	10.7%	299,200	11.1%	302,173	11.3%	345,469	12.3%	372,571	12.2%	280,433	12.5%	210,899	14.1%
Xtra Airways	-	0.0%	1,265	0.0%	-	0.0%	1,304	0.0%	288	0.0%	-	0.0%	-	0.0%	-	0.0%
Republic	895	0.0%	121	0.0%	-	0.0%										
Frontier	-	0.0%	-	0.0%	-	0.0%	-	0.0%	22,854	0.0%	71,290	0.0%	25,337	0.0%	-	0.0%
Via Air	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	903	0.0%	-	0.0%	-	0.0%
Total Passengers	2,613,594	100.0%	2,662,459	100.0%	2,694,995	100.0%	2,668,010	100.0%	2,819,365	100.0%	3,066,228	100.0%	2,244,616	100.0%	1,493,167	100.0%

Note: Detailed deplanement information only available through Fiscal Year 2014

Source: Airline Reports

OPERATIONAL STATISTICS

FISCAL YEAR	TOTAL PASSENGERS	PERCENTAGE CHANGE
2012	2,889,969	-2.1%
2013	2,815,266	-2.6%
2014	2,613,594	-7.2%
2015	2,662,459	1.9%
2016	2,694,995	1.2%
2017	2,668,010	-1.0%
2018	2,819,365	5.7%
2019	3,066,228	8.8%
2020	2,244,616	-26.8%
2021	1,493,167	-33.5%

OPERATIONAL STATISTICS

FISCAL YEAR	ENPLANEMENTS	PERCENTAGE CHANGE
2012	1,447,794	-1.9%
2013	1,408,170	-2.7%
2014	1,307,885	-7.1%
2015	1,330,235	1.7%
2016	1,349,032	1.4%
2017	1,336,065	-1.0%
2018	1,409,531	5.5%
2019	1,533,824	8.8%
2020	1,119,455	-27.0%
2021	747,272	-33.2%

PASSENGER AIRCRAFT OPERATIONS

FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2012	44,498	(2,986)	-6.3%
2013	41,916	(2,582)	-5.8%
2014	37,306	(4,610)	-11.0%
2015	37,630	324	0.9%
2016	38,492	862	2.3%
2017	37,706	(786)	-2.0%
2018	38,982	1,276	3.4%
2019	41,364	2,382	6.1%
2020	33,288	(8,076)	-19.5%
2021	23,540	(9,748)	-29.3%

Source: Airline Reports

PASSENGER AIRCRAFT LANDED WEIGHT (in thousands of pounds)

FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2012	1,944,874	(41,635)	-2.1%
2013	1,835,261	(109,613)	-5.6%
2014	1,642,368	(192,893)	-10.5%
2015	1,635,170	(7,198)	-0.4%
2016	1,624,706	(10,464)	-0.6%
2017	1,656,428	31,722	2.0%
2018	1,738,586	82,158	5.0%
2019	1,833,622	95,036	5.5%
2020	1,487,485	(346,137)	-18.9%
2021	1,064,578	(422,907)	-28.4%

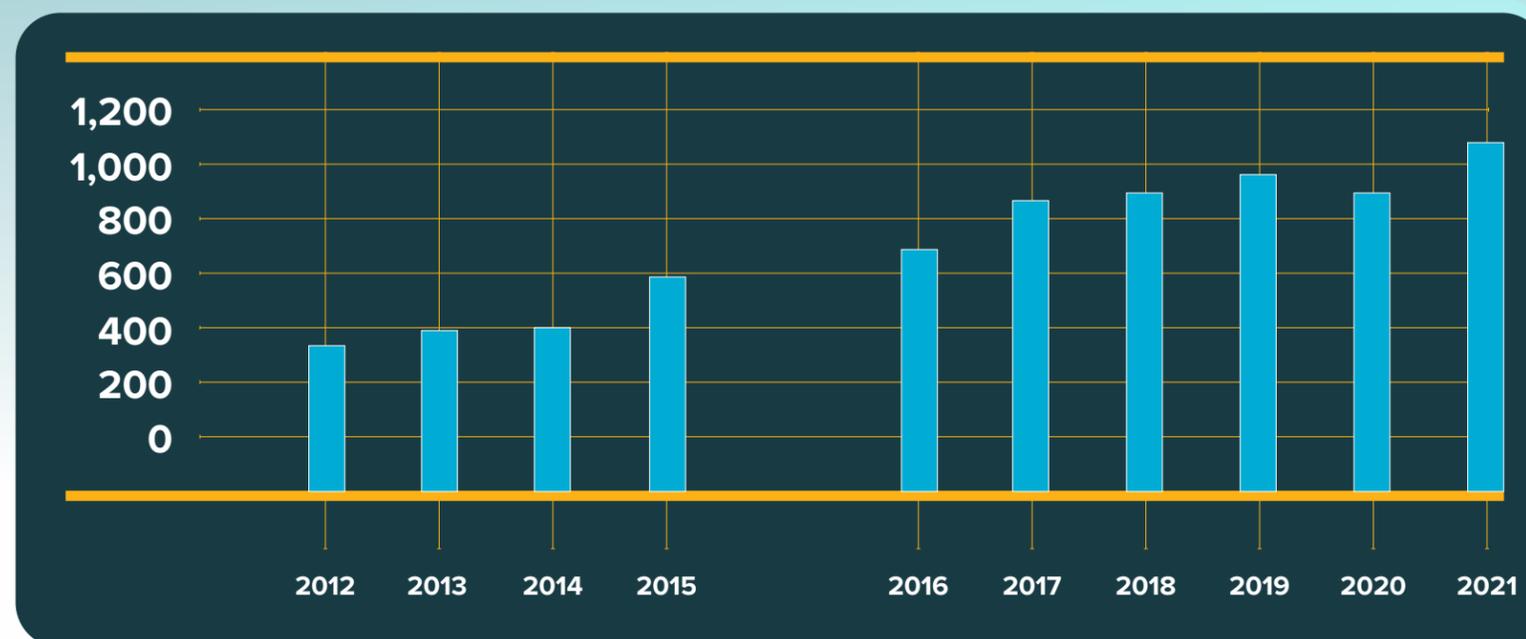
Source: Airline Reports

DAYS FUNDED

OPERATING REVENUE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cash available for operations										
Cash and cash equivalents (1)	\$19,902,278	\$24,681,350	\$21,485,093	\$26,453,879	\$28,488,429	\$34,430,543	\$39,525,666	\$32,075,429	\$53,142,353	\$39,327,600
Investments (1)	-	-	7,007,870	14,983,266	20,168,903	25,926,563	26,398,830	40,599,347	10,146,525	30,354,367
Total cash available for operations	19,902,278	24,681,350	28,492,963	41,437,145	48,657,332	60,357,106	65,924,496	72,674,776	63,288,878	69,681,967
MAINTENANCE AND OPERATING EXPENSE	21,848,015	23,203,887	25,979,323	25,853,901	25,432,220	25,230,897	27,060,856	27,606,851	25,600,510	23,266,770
DAYS IN FISCAL YEAR	366	365	365	365	366	365	365	365	366	365
DAYS FUNDED	333	388	400	585	700	873	889	961	905	1,093

Notes: 1) Unrestricted

Source: Birmingham Airport Authority Records



AIRPORT INFORMATION

BHM		
Location	4 miles Northeast of Downtown	
Area	2,170 Acres	
Elevation	650ft MSL	
Airport Code	BHM	
Runways	18/36	7,099ft X 150ft
	6/24	12,007ft X 150ft
Terminal Space	Airlines	88,527 sf
	Concession and Office Space	149,122 sf
	Circulation Space	147,250 sf
	Utilities	17,162 sf
	Other	23,062 sf
	Total	425,123 sf
Number of Gates/Hardstand Positions	19/4	
Commercial Airline Apron	1,812,216 sf	
Rental Car Facility	9 Rental Car Brands	
Parking Spaces	Parking Deck	5,306
	Economy Lot	478
	Employee Lot	374
	Total	6,158

Source: Birmingham Airport Authority Records



SUMMARY OF CERTAIN RATES AND CHARGES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Signatory:										
Landing Fees (1)	2.92	4.15	5.06	6.60	5.50	5.64	5.69	5.17	5.18	6.71
Terminal Space Rentals (2)	64.45	62.78	80.37	65.73	67.67	69.67	69.42	69.68	72.25	65.89
Apron fees (4)	1.08	1.20	1.39	1.59	1.50	1.25	1.26	1.30	1.15	1.02
Non-Signatory:										
Landing Fees (1)	3.65	5.19	6.33	8.25	6.88	7.05	7.11	6.46	6.47	8.39
Terminal Space Rentals (2)	80.56	78.48	100.46	82.16	84.59	87.09	86.78	87.10	90.31	82.36
Apron Fees (4)	1.35	1.50	1.74	1.99	1.88	1.56	1.58	1.63	1.44	1.28
Aircraft Parking (per day) (5)	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	113.00
Parking Rates (3)										
Parking Deck Daily	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Parking Deck Hourly	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Economy Lot	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

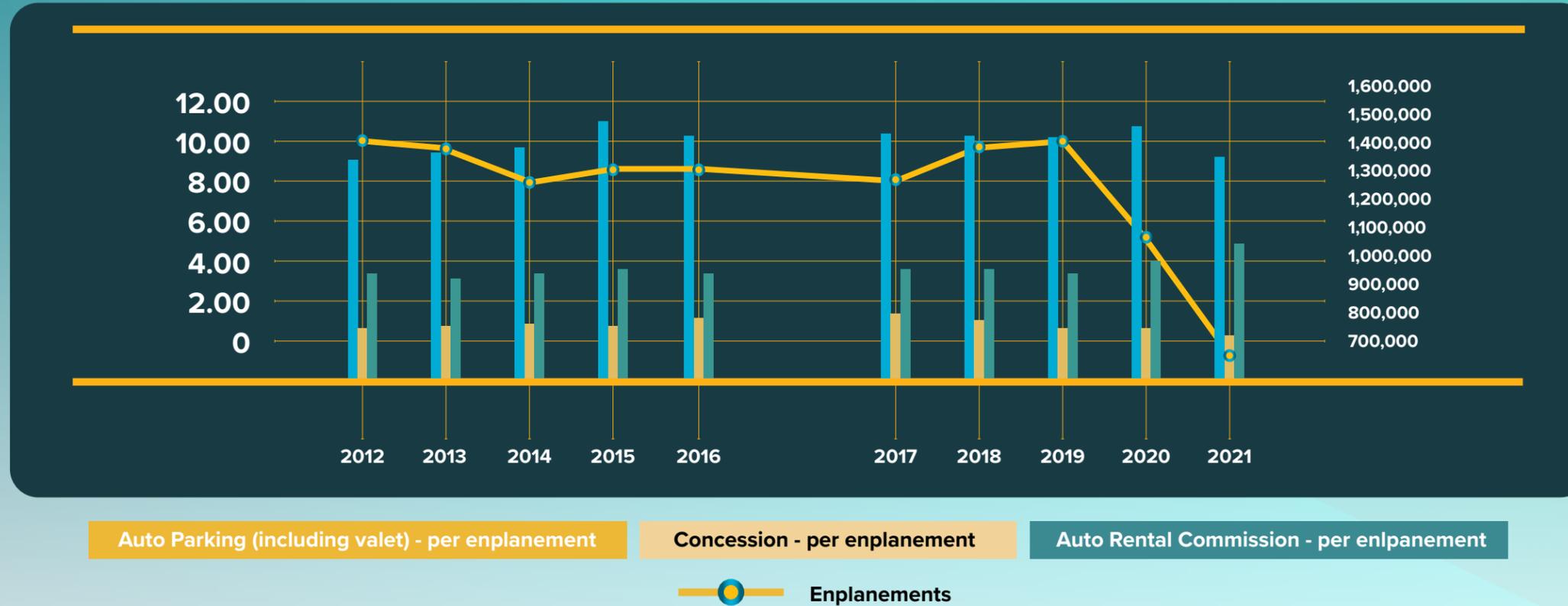
Notes:

- 1) Per 1,000 pounds of landing weight
- 2) Per square foot per year
- 3) Maximum per day
- 4) Per square foot per year
- 5) Priced for a narrow body aircraft

Source: Birmingham Airport Authority Records

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NUMBER OF EMPLOYEES	114	130	141	133	131	158	166	160	155	125

KEY REVENUE SOURCES PER ENPLANEMENT

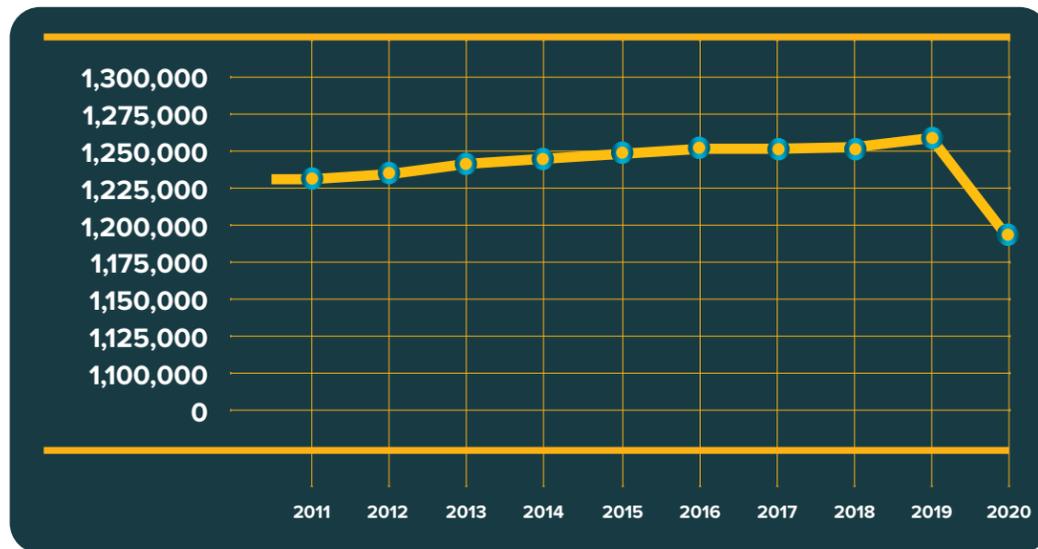


OPERATING REVENUE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue per Enplanement										
Auto parking (incl. valet) - per enplanement	9.01	9.31	9.59	9.60	10.63	10.29	10.23	10.13	10.40	9.23
Concessions - per enplanement	0.80	0.85	1.14	1.26	1.35	1.49	1.42	1.37	1.44	1.14
Auto rental commission - per enplanement	3.50	3.44	3.45	3.58	3.63	3.63	3.52	3.42	3.98	4.68

Source: Birmingham Airport Authority Records, Airline Reports

The primary service region for the Birmingham-Shuttlesworth International Airport, the seven-county Birmingham-Hoover Metropolitan Statistical Area (“MSA”), has a diverse economic base and is the principal center of finance, trade, health care, manufacturing, transportation, and education in the State of Alabama. The MSA includes the following seven counties, ordered based on population size (largest to smallest): Jefferson, Shelby, St. Clair, Walker, Blount, Chilton, and Bibb. Jefferson County, which had an estimated population of approximately 675,000 in 2020, is the center of the seven-county Birmingham-Hoover Metropolitan Statistical Area (MSA), which covers 6,145 square miles. Birmingham, situated in the county seat, had an estimated population of approximately 201,000 according to the 2020 census.

BIRMINGHAM-HOOVER MSA POPULATION (2011-2020)



YEAR	2011	2012	2013	2014	2015
POPULATION	1,130,905	1,133,993	1,139,018	1,142,823	1,145,647

YEAR	2016	2017	2018	2019	2020
POPULATION	1,150,168	1,150,942	1,151,899	1,154,278	1,092,281

Source: U.S. Census, Nielson

BIRMINGHAM-HOOVER MSA LARGEST TEN EMPLOYERS (2020 COMPARED TO 2011)

NAME	2020			2011		
	LOCAL EMPLOYEES	RANK	% OF MSA EMPLOYMENT	LOCAL EMPLOYEES	RANK	% OF MSA EMPLOYMENT
University of Alabama at Birmingham	20,757	1	4.0%	18,619	1	3.7%
Brookwood Baptist Health	6,503	2	1.2%	4,410	5	0.9%
Regions Financial Corp.	6,100	3	1.2%	6,000	2	1.2%
Honda Manufacturing of Alabama	5,321	4	1.0%	4,000	6	0.8%
St. Vincent's Health System	5,200	5	1.0%	4,662	4	0.9%
Children's of Alabama	5,104	6	1.0%	3,744	8	0.8%
Mercedes-Benz U.S. International Inc.	4,200	7	0.8%			0.0%
Alabama Power Company	3,770	8	0.7%	3,811	7	0.8%
BlueCross and BlueShield of Alabama	3,303	9	0.6%	3,210	9	0.6%
BBVA Compass	2,879	10	0.6%	3,065	10	0.6%
AT&T				5,750	3	1.2%
Total	63,137		12.1%	57,271		11.5%
Est. MSA Employment	520,400			498,500		

Source: Birmingham Business Journal, Book of Lists (2011 and 2020)
Note: Due to rounding, percentages may not add up precisely to the totals provided

BIRMINGHAM-HOOVER MSA STATISTICAL SUMMARY

YEAR	EMPLOYMENT	PERSONAL INCOME (\$000s)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	AVERAGE UNEMPLOYMENT RATE (%)
2011	498,500 (2)	\$ 43,626,635 (1)	\$ 40,998 (1)	37.4 (1)	281,252 (1)	8.8 (2)
2012	506,900 (2)	\$ 45,896,274 (1)	\$ 42,985 (1)	37.6 (1)	283,017 (1)	7.0 (2)
2013	512,400 (2)	\$ 45,842,549 (1)	\$ 42,719 (1)	37.9 (1)	284,730 (1)	6.3 (2)
2014	516,200 (2)	\$ 47,764,875 (1)	\$ 44,376 (1)	38.1 (1)	283,267 (1)	6.0 (2)
2015	521,900 (2)	\$ 50,104,352 (1)	\$ 46,388 (1)	38.2 (1)	282,980 (1)	5.5 (2)
2016	526,500 (2)	\$ 50,935,284 (1)	\$ 47,018 (1)	38.3 (1)	281,045 (1)	5.5 (2)
2017	531,600 (2)	\$ 53,456,370 (1)	\$ 49,216 (1)	38.8 (3)	284,414 (3)	4.1 (2)
2018	539,200 (2)	\$ 55,926,306 (1)	\$ 51,377 (1)	39.0 (3)	282,387 (3)	3.5 (2)
2019	546,000 (2)	\$ 58,020,400 (1)	\$ 53,185 (1)	39.2 (3)	282,035 (3)	2.7 (2)
2020	520,400 (2)	\$ 60,136,271 (1)	\$ 55,074 (1)	39.1 (3)	270,331 (3)	5.5 (2)

Notes:
(1) U.S. Census Bureau; Bureau of Economic Analysis
(2) U.S. Bureau of Labor Statistics
(3) S&P Market Intelligence; Nielson



COMPLIANCE SECTION

(UNAUDITED)

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Passenger Facility Charge Program
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**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 of the
Birmingham Airport Authority
Birmingham, Alabama

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 business-type activities, of the Birmingham Airport Authority ("the Authority"), a component unit of the City of Birmingham, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 31, 2021.

Internal Control over Financial Reporting

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

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

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

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To the Board of Directors of the
Birmingham Airport Authority
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Compliance and Other Matters

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

Purpose of this Report

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

Birmingham, Alabama
December 31, 2021

Banks, Finley White & Co.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Birmingham Airport Authority
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

We have audited the Birmingham Airport Authority's ("the Authority"), a component unit of the City of Birmingham, Alabama, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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To the Board of Directors of
Birmingham Airport Authority
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Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Birmingham, Alabama
December 31, 2021

Banks, Finley White & Co.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FEDERAL GRANTOR	CFDA NUMBER	ID NUMBER	EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION:			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-01-0014-101-2018	118,715
	20.106	3-01-0014-102-2019	6,825,123
	20.106	3-01-0014-104-2020	8,065,652
	20.106	3-01-0014-104-2020	1,715,081
	20.106	3-01-0014-105-2020	254,483
CARES Act	20.106	3-01-0014-106-2020	13,472,305
CRRSA	20.106	3-01-0014-107-2021	5,119,184
			35,570,543
U.S. DEPARTMENT OF HOMELAND SECURITY			
Transportation Security Administration			
Electronic Baggage Screening Program	97.117	70T04018T9CAP1056	128,216
COVID-19 Cleaning & Sanitization Services	21.019	70T01020T9NCKP120	107,104
			\$235,320
Total Expenditures of Federal Awards			\$35,805,863

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant activity of the Birmingham Airport Authority ("the Authority") and is presented on the accrual basis of accounting. 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). The Schedule presents only selected portion of the operations of the Authority. The Schedule is not intended to and does not present the financial position, changes in financial position or cash flows of the Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Internal control over financial reporting:

• Material weakness(es) identified?	_____ Yes	_____ x _____ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ x _____ No
Noncompliance material to financial statements noted?	_____ Yes	_____ x _____ None Reported

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	_____ Yes	_____ x _____ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ x _____ None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified	

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Section 200.515?

_____ Yes	_____ x _____ No
------------------	--------------------------------

Identification of major programs:

CFDA NUMBERS

20.106

NAME OF FEDERAL PROGRAM OR CLUSTER

Airport Improvement Program

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

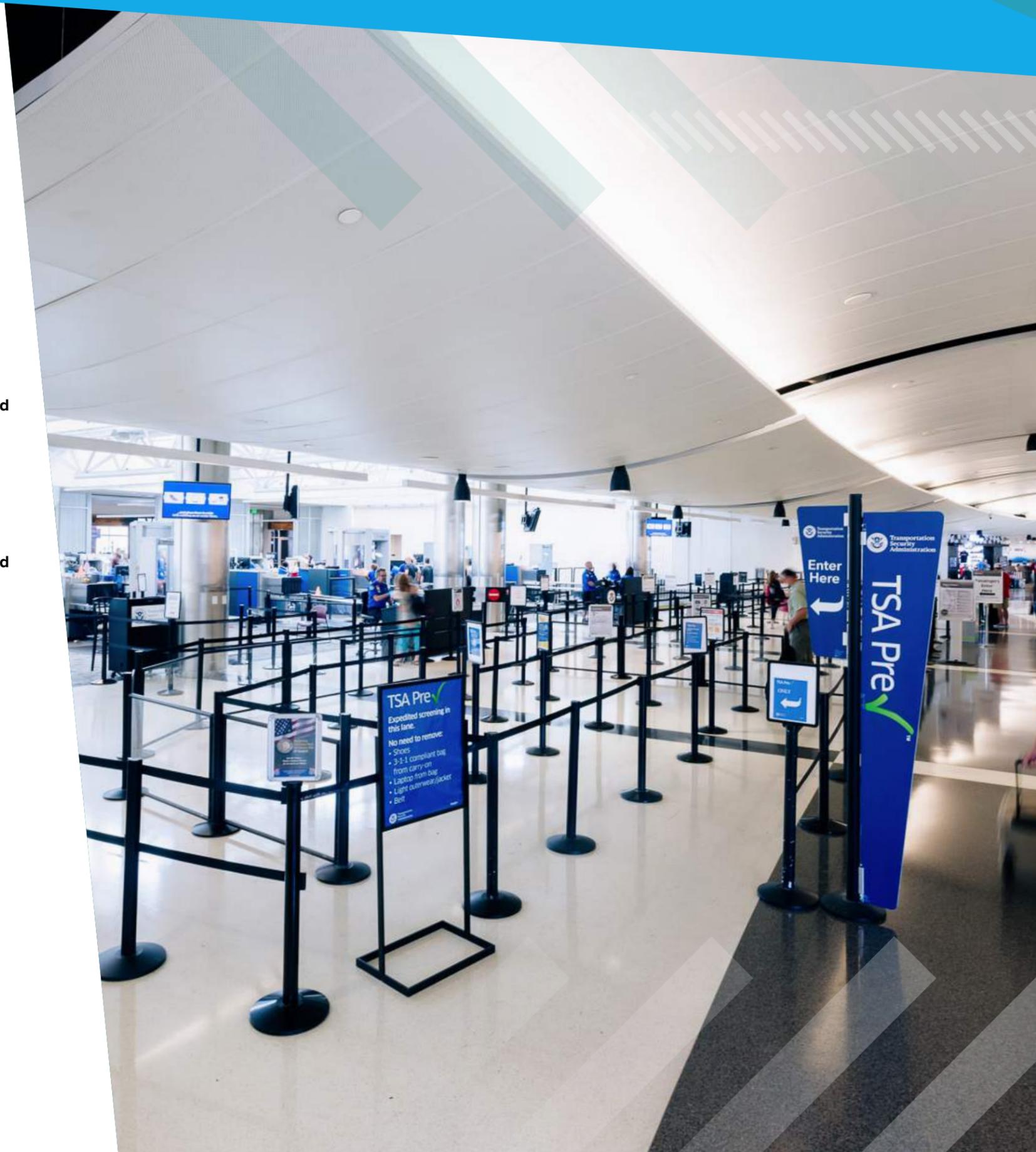
_____ x _____ Yes	_____ No
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SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR THE PASSENGER FACILITY PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE FEDERAL AVIATION ADMINISTRATION**

To the Board of Directors of the
Birmingham Airport Authority
Birmingham, Alabama

Report on Compliance for Passenger Facility Charges Program

We have audited the Birmingham Airport Authority's ("the Authority"), a component unit of the City of Birmingham, Alabama, compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation ("the Guide") that could have a direct and material effect on the Authority's Passenger Facility Charges Program ("PFC") for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's PFC program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the PFC program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the PFC program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Compliance for Passenger Facility Charges Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its PFC programs for the year ended June 30, 2021.

617 THIRTY-SEVENTH STREET SOUTH • BIRMINGHAM, ALABAMA 35222 • (205) 326-6660



To the Board of Directors of the
Birmingham Airport Authority
Page 2

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the PFC program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the PFC program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Birmingham, Alabama
December 31, 2021

Banks, Finley White & Co.

SCHEDULE OF PFC COLLECTED AND EXPENDED

Year Ended June 30, 2021

NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED

QUARTER ENDED	PFC CHARGES RECEIVED	INTEREST EARNED	TOTAL RECEIVED	EXPENDITURES ON APPROVED PROJECTS	NET PER FINANCIAL STATEMENTS
Beginning Balance	\$110,316,414	\$1,428,770	\$111,745,184	\$108,578,723	\$3,166,461
9/30/20	424,942	1,714	\$426,657	-	\$426,657
12/31/20	643,439	1,659	\$645,098	-	\$645,098
3/31/21	622,326	1,483	\$623,809	-	\$623,809
6/30/21	1,139,812	1,296	\$1,141,108	-	\$1,141,108
Total 2021	2,830,520	6,152	2,836,672	-	2,836,672
Total Program to Date	\$113,146,934	\$1,434,922	\$114,581,856	\$108,578,723	\$6,003,133
Receivable at June 30, 2021					\$459,031
PFC Funds to be used for future debt service payments and capital projects:					\$6,462,164

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the Authority from August 1, 1997 (original date of approval) through June 30, 2021. The schedule also includes all funds expended life to date. The Authority currently collects \$4.50 per enplaned passenger. The current approval for charges as approved by the Federal Aviation Administration is estimated to end on February 1, 2031.

NOTE 2: BASIS OF ACCOUNTING

The Schedule of Passenger Facility Charges Collected and Expended was prepared on the accrual basis of accounting. PFCs are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are incurred. Expenditures are incurred in accordance with the approved FAA application for use.

NOTE 3: PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facility Charges portions of the project costs. Entire project costs may be more than shown.

NOTE 4: RECONCILIATION TO STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Passenger Facility Charges are reported on an accrual basis in the Authority's Statement of Revenues, Expenses, and Changes in Net Position in the Comprehensive Annual Financial Report. Reporting standards adopted by the FAA require for purposes of the Schedule of PFC Collected and Expended such charges be reported on a cash basis. A reconciliation between cash collections and revenues reported on the accrual basis is as follows:

	FISCAL YEAR 2021
Passenger Facility Charges:	
Cash Collections per Schedule of PFC Collected and Expended	\$ 2,836,672
Less Prior Year Accrual	113,645
Add Current Year	459,031
Amount Per Statement of Revenues, Expenses, and Changes in Net Position	\$ 3,182,058



BY THE NUMBERS

(UNAUDITED)

- 132** Fiscal Year 2021 BAA Project Summaries
- 133** Airlines Market Share
- 134** BHM Daily Departures
- 135** Catchment Area Demographics
- 135** Top Domestic O&D Markets
- 137** Top International O&D Markets
- 139** Demographics Report
- 140** Interstate Access Maps and BHM Footprint
- 142** Nonstop Markets
- 144** One-Stop World Map
- 146** Connect Market List

RUNWAY 18/36 REHABILITATION

In April 2021, the BAA completed the rehabilitation of Runway 18/36, which serves as BHM’s crosswind runway. This runway allows smaller aircraft to more safely and efficiently operate when winds do not favor the primary runway. The project included the mill and overlay of the existing pavement to extend the overall useful life of the runway. The project cost was approximately \$7.75 million and was 100% funded by the Federal Aviation Administration.



RUNWAY 24 GLIDESLOPE IMPROVEMENTS

During routine inspections of the Runway 24 Instrument Landing System, it was noted that anomalies in the Glideslope Antenna signal were degrading the effectiveness of the instrument approach procedure. It was identified that drainage features were affecting the glideslope signal and must be corrected. This project included installation of new drainage features and grading activities to ensure a clear area for the glideslope’s optimum effectiveness. Construction activities were completed in October 2021. The project cost was approximately \$3.1 million and was 100% funded by the Federal Aviation Administration.



TAXIWAY G REHABILITATION

Starting in October 2021, the BAA began the rehabilitation of Taxiway G, which serves many of the airport’s general aviation users. The pavement, which had last been rehabilitated in 1993, had reached the end of its useful life and showed signs of deterioration. The project included the mill and overlay of the taxiway, including portions of full depth reconstruction in sections that experienced significant wear. It is anticipated, once complete, the new pavement should provide an additional 20 years to the useful life for Taxiway G. The project cost was approximately \$2.95 million and was funded 100% by the Federal Aviation Administration.

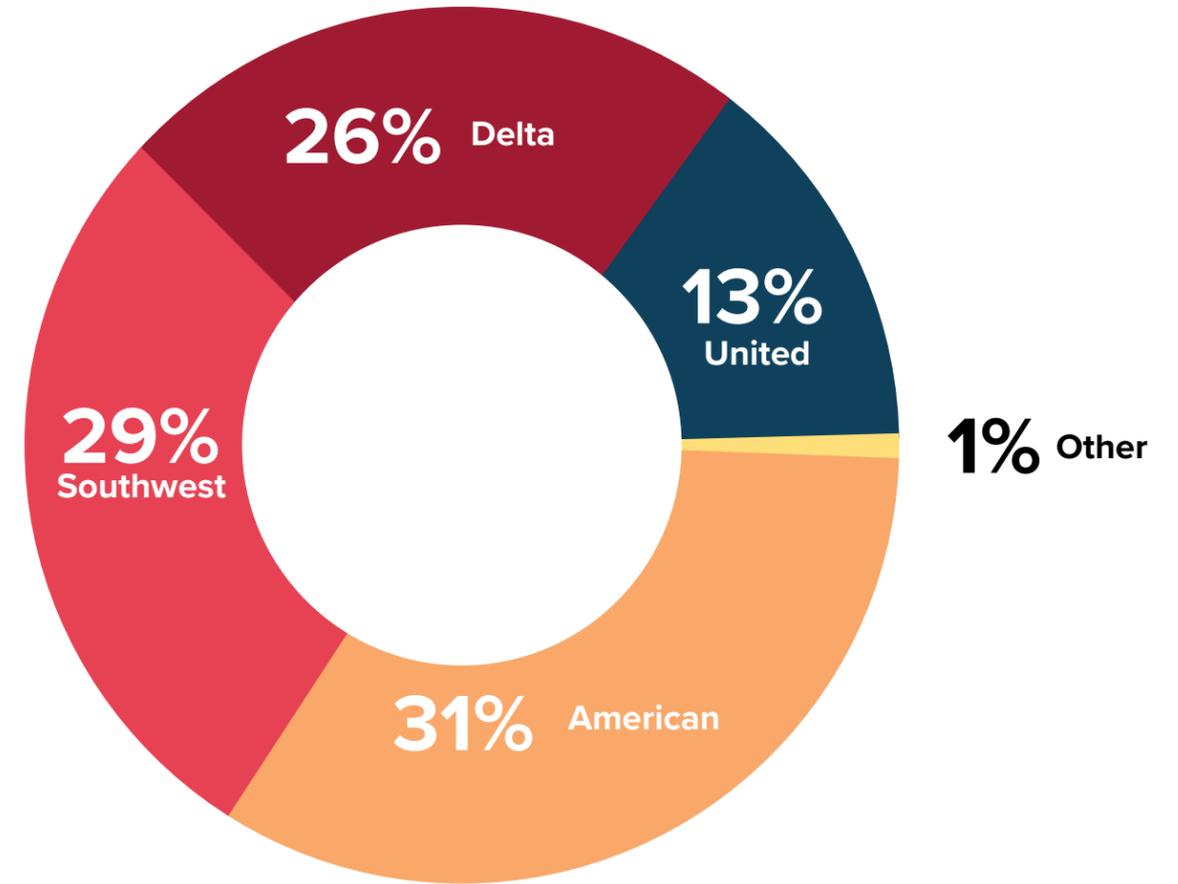


NEW AIR CARGO FACILITY

Experiencing a significant demand for space by both existing and prospective air cargo operators, the BAA initiated a planning study to define potential spatial needs for a new air cargo facility. The study identified the need for an additional 53,000-square-foot building, expansion of the aircraft parking apron, and construction of employee / truck parking. In November 2021, the BAA initiated the design of the new facility which is expected to be operational by Fall 2023. This project is projected to have a construction value of \$17.1 million and will be 100% funded by the BAA.



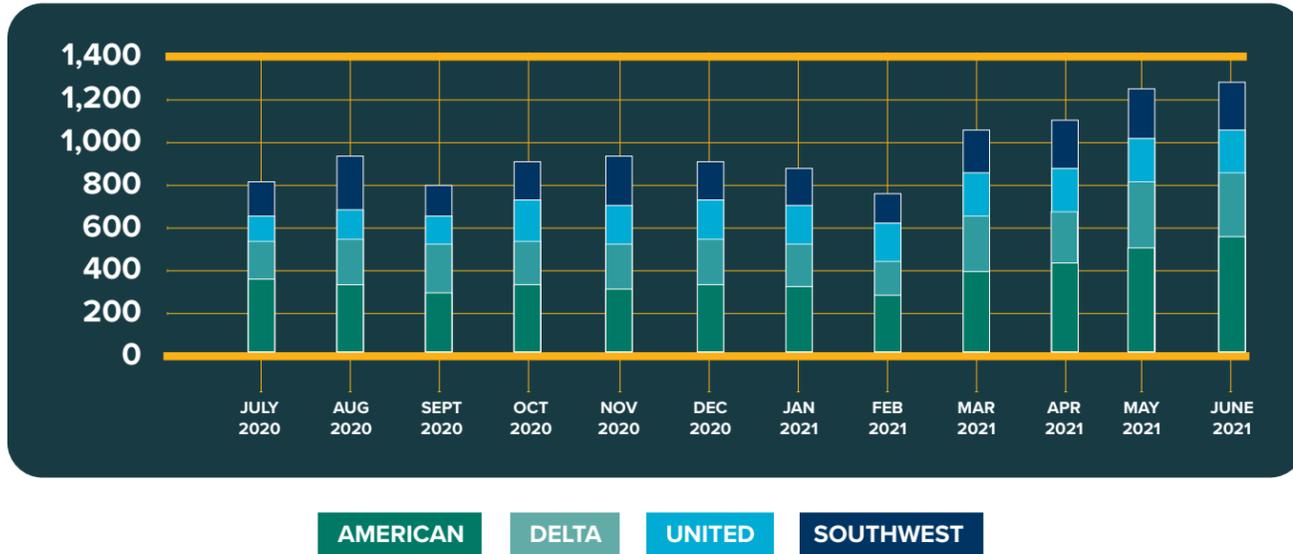
FUTURE AIR CARGO FACILITY – PHASE 1
BIRMINGHAM-SHUTTLESWORTH INTERNATIONAL AIRPORT
OCTOBER 2021



BHM OVERVIEW

1.5M passengers served in FY 2021	4 Airlines	92 Peak Daily Flights	16 Airports Served Nonstop	92% Customer Satisfaction Rate
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DAILY DEPARTURES BY AIRLINE

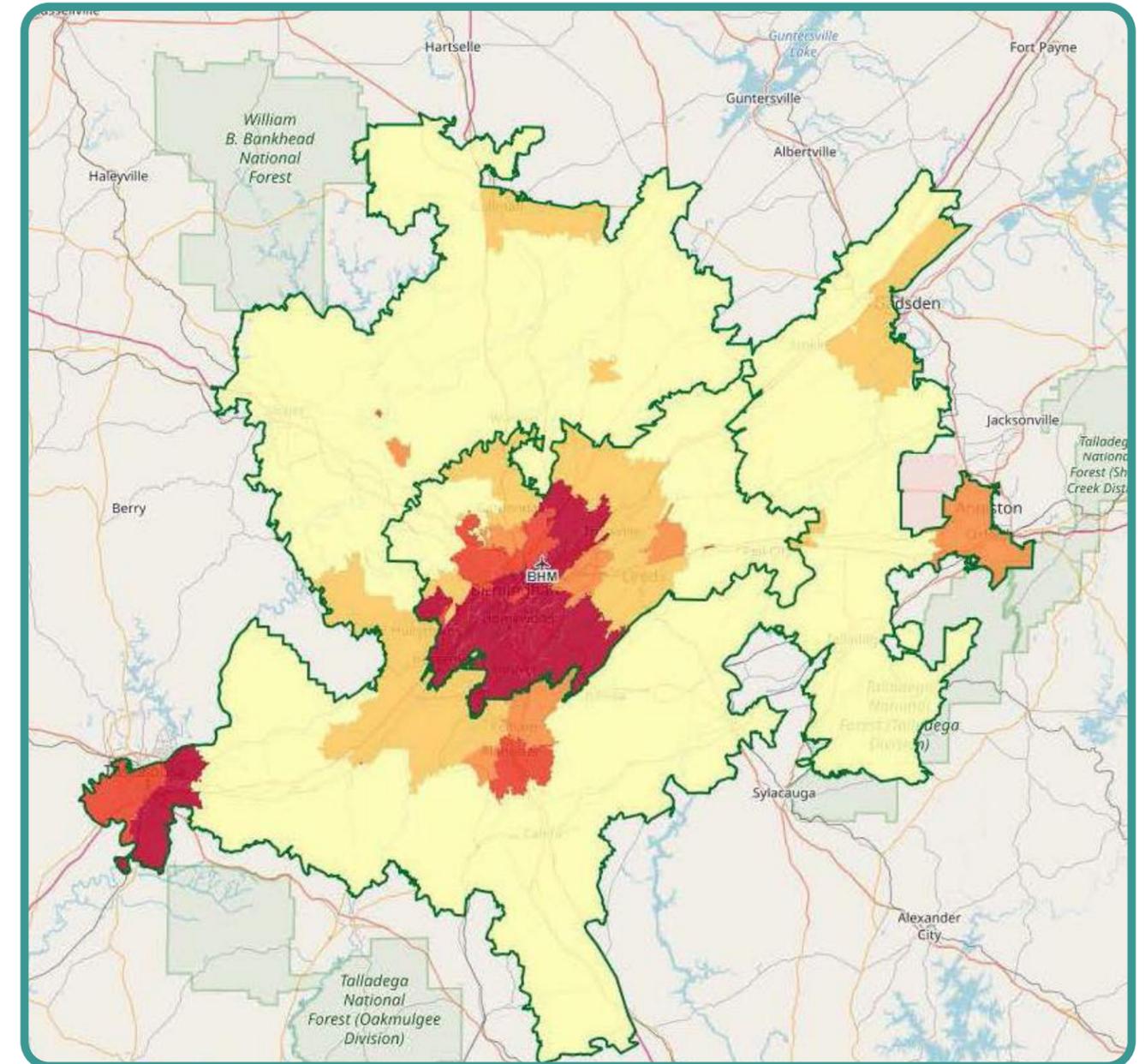


PEAK DAILY DEPARTURES



Daily departures at BHM increased throughout FY 2021 as air travel continues to return to normal.

- American provides service to Charlotte, Chicago, Dallas, Miami, Philadelphia, and Washington D.C.
- Southwest serves Chicago, Dallas, Denver, Las Vegas, Orlando, and Tampa.
- Delta flies to Atlanta, Detroit, and New York.
- United offers service to Chicago, Denver, and Houston.



BHM CATCHMENT AREA – 60-MINUTE DRIVE:

The Birmingham Catchment Area was defined as the geographic region surrounding the Birmingham-Shuttlesworth International Airport that is approximately a 60-minute drive from the airport.

TOP DOMESTIC O&D MARKETS

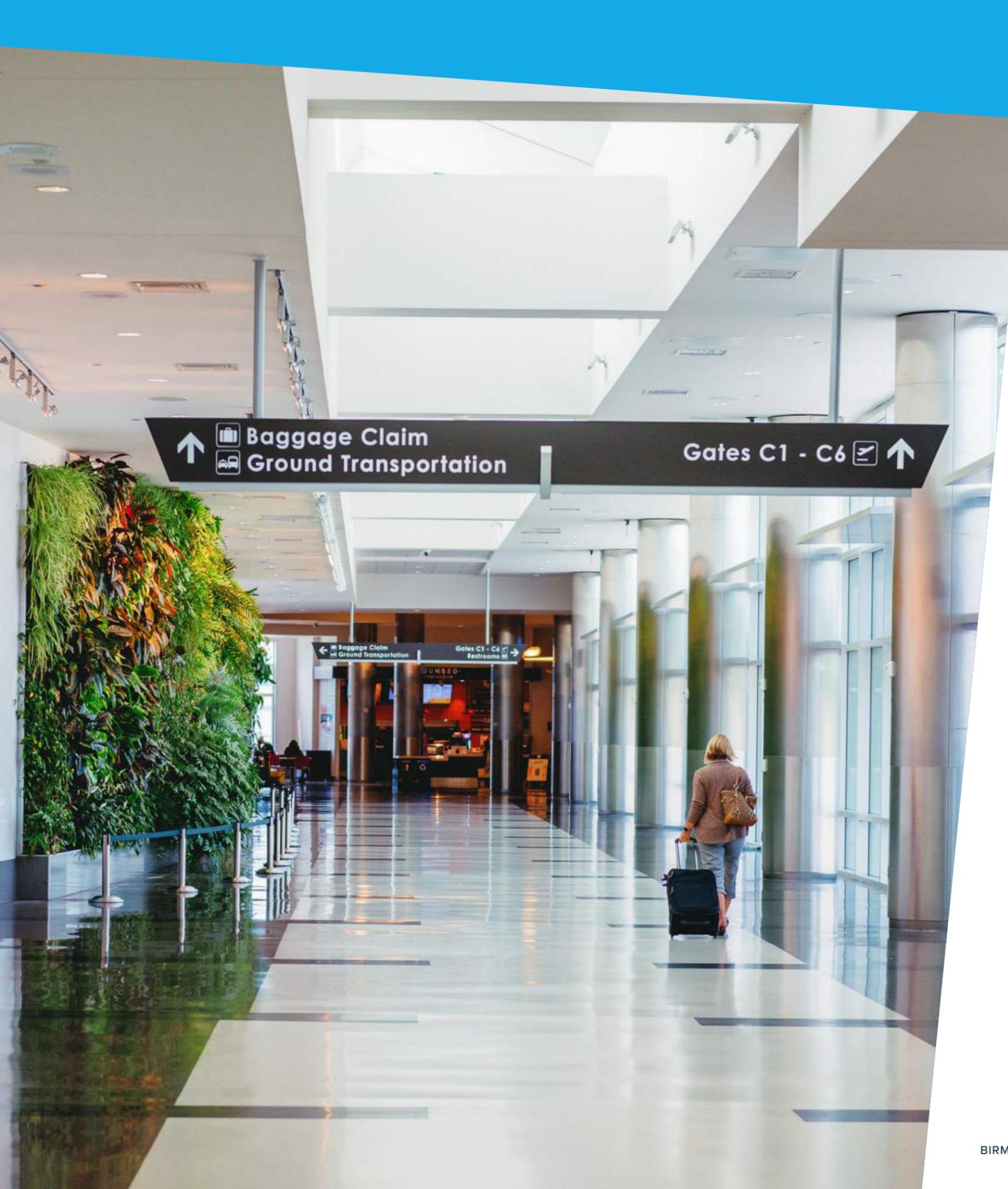
Rank	Destination	O&D Passengers	O&D Revenue (\$)	Average Fare (\$)	YOY% Change		
					Pax	Rev	Fare
1	Orlando, FL (MCO)	104,433	9,425,695	90	(17%)	(41%)	(28%)
2	Denver, CO	63,918	8,876,219	139	(5%)	(25%)	(21%)
3	Dallas, TX (DFW)	58,794	7,928,570	135	(20%)	(46%)	(33%)
4	Dallas, TX (DAL)	56,750	5,374,604	95	(12%)	(37%)	(29%)
5	Houston, TX (IAH)	46,354	6,760,790	146	(12%)	(34%)	(25%)
6	Las Vegas, NV	46,169	7,372,589	160	(2%)	(29%)	(27%)
7	Tampa, FL	41,093	4,450,727	108	(38%)	(53%)	(24%)
8	Miami, FL	30,832	4,391,137	142	5%	(29%)	(32%)
9	Chicago, IL (ORD)	30,061	3,914,071	130	(43%)	(62%)	(34%)
10	Phoenix, AZ (PHX)	28,545	4,684,670	164	(10%)	(36%)	(28%)
11	Los Angeles, CA	28,327	5,691,064	201	(35%)	(45%)	(15%)
12	Washington, DC (DCA)	25,870	3,849,988	149	(57%)	(69%)	(27%)
13	Detroit, MI	25,052	4,977,949	199	(48%)	(56%)	(15%)
14	Chicago, IL (MDW)	23,390	2,362,059	101	(49%)	(66%)	(34%)
15	Philadelphia, PA	22,104	3,746,509	169	(53%)	(60%)	(14%)
16	Charlotte-Douglas, NC	22,044	3,776,333	171	(45%)	(60%)	(28%)
17	Salt Lake City, UT	21,651	3,725,806	172	8%	(26%)	(31%)
18	Baltimore, MD	20,653	2,471,348	120	(63%)	(71%)	(22%)
19	Austin, TX	19,164	2,542,338	133	(29%)	(49%)	(28%)
20	San Antonio, TX	18,794	2,578,174	137	(20%)	(42%)	(27%)
Total All Markets		1,423,327	232,272,929	163	(34%)	(51%)	(27%)

AS A RESULT OF THE PANDEMIC, MOST OF THE TOP 20 O&D MARKETS EXPERIENCED DOUBLE-DIGIT DECREASES IN PASSENGERS; OVERALL, PASSENGERS WERE DOWN 34% ON A 27% DROP IN AVERAGE FARES.

TOP INTERNATIONAL O&D MARKETS

Rank	Destination	O&D Passengers	O&D Revenue (\$)	Average Fare (\$)	YOY% Change		
					Pax	Rev	Fare
1	Cancun, Mexico	8,853	1,794,761	203	29%	12%	(13%)
2	Montego Bay, Jamaica	4,058	877,512	216	(12%)	(25%)	(15%)
3	Mexico City, Mexico	3,960	1,128,535	285	(44%)	(34%)	19%
4	San Jose del Cabo, Mexico	3,536	908,927	257	2%	(10%)	(12%)
5	Leon/Guanajuato, Mexico	2,037	565,869	278	6%	2%	(4%)
6	Punta Cana, Dominican Republic	2,032	465,491	229	47%	29%	(12%)
7	Providenciales, Turks and Caicos	1,923	482,581	251	21%	9%	(9%)
8	Guadalajara, Mexico	1,707	455,876	267	40%	13%	(19%)
9	Queretaro, Mexico	1,701	462,209	272	(48%)	(37%)	20%
10	Guatemala City, Guatemala	1,523	315,017	207	(29%)	(58%)	(42%)
11	San Jose, Costa Rica	1,477	338,079	229	(14%)	(29%)	(17%)
12	Nassau, Bahamas	1,468	315,213	215	(51%)	(59%)	(16%)
13	Puerto Vallarta, Mexico	1,160	228,609	197	(3%)	(11%)	(8%)
14	St. Lucia-Vieux Fort, Saint Lucia	1,078	336,704	312	(3%)	(27%)	(25%)
15	Antigua, Antigua and Barbuda	1,051	356,811	340	27%	19%	(7%)
16	Toronto, Canada	1,002	193,308	193	(89%)	(90%)	(13%)
17	Frankfurt, Germany	960	792,413	825	(67%)	(67%)	(2%)
18	Monterrey, Mexico	944	292,074	309	(38%)	(49%)	(18%)
19	Morelia, Mexico	907	274,544	303	(14%)	18%	37%
20	Belize City, Belize	887	176,169	199	(44%)	(52%)	(14%)
Total All Markets		69,359	23,888,599	344	(55%)	(70%)	(33%)

INTERNATIONAL TRAFFIC WAS DOWN 55% YEAR-OVER-YEAR.



Note: U.S. Source data is from U.S. 2020 Census;
however, U.S. household data is from 2019

GENERAL

Households	598,396
Avg. House Value	\$147,230
Avg. Household Income	\$67,766

POPULATION

Total	1,350,442
White	864,400
African American	355,924
Hispanic	72,360
Asian	20,422
Hawaiian	630
Native American	5,416
Other	39,644

BIRMINGHAM AIRPORT AUTHORITY INTERSTATE ACCESS MAP



BIRMINGHAM FOOTPRINT

INTERSTATE ACCESS MAP

BHM IS CONVENIENTLY LOCATED ABOUT

4.5 MILES east of
**DOWNTOWN
 BIRMINGHAM**
 and the Uptown entertainment district

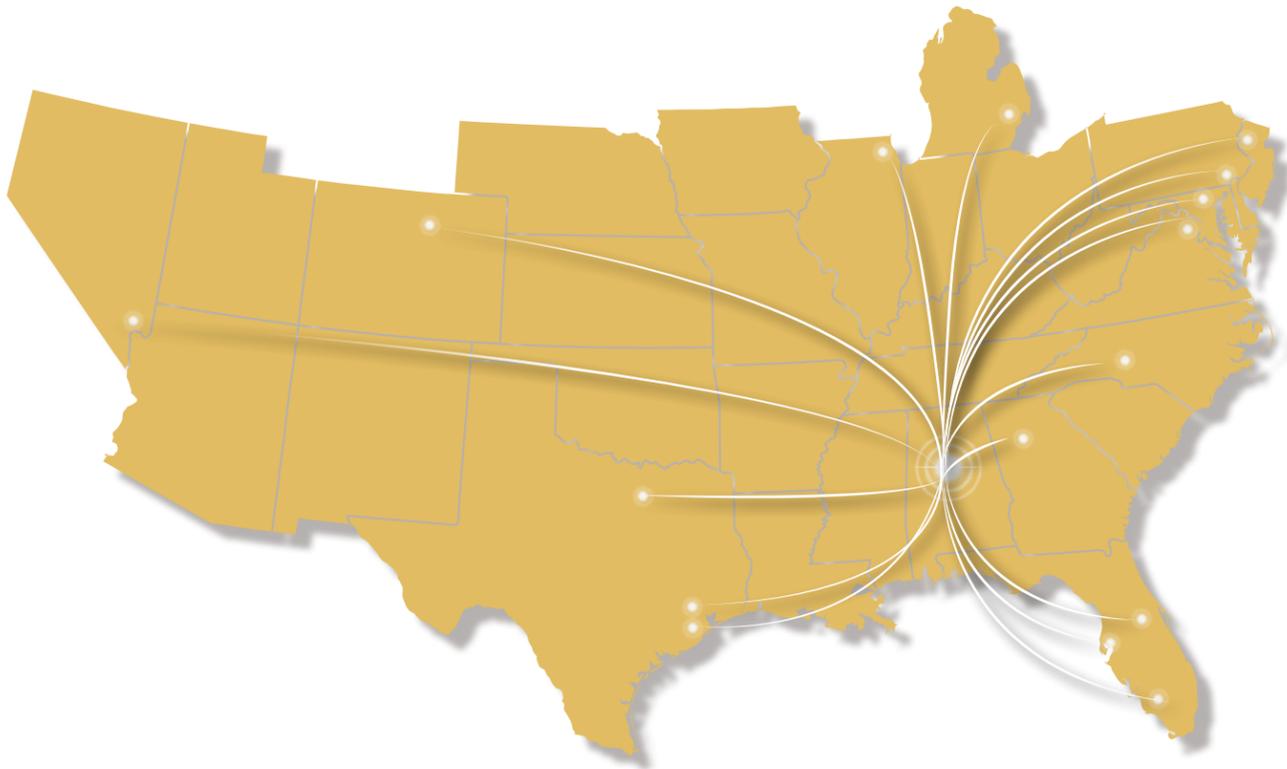
COMPLETE WITH RESTAURANTS, BARS, HOTELS,
EVENT FACILITIES, AND 45,000-SEAT STADIUM

ADJACENT TO
**INTERSTATES
 20 & 59**

WITH EASY ACCESS TO INTERSTATES
459, 65 & 22

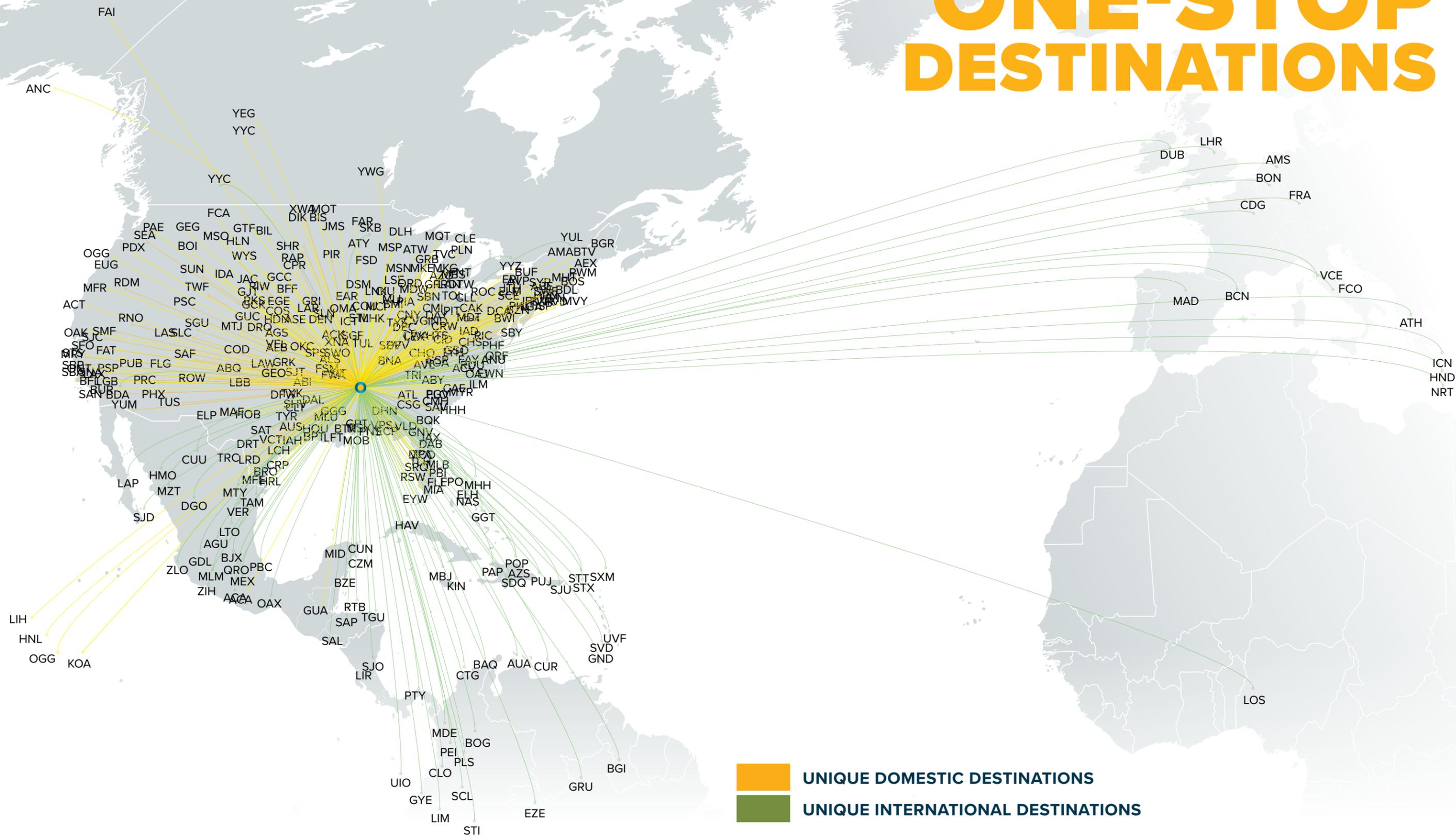
BHM NONSTOP ROUTE MAP SUMMER 2021

ATLANTA CHARLOTTE CHICAGO MIDWAY CHICAGO O'HARE DALLAS LOVE FIELD DALLAS / FT. WORTH DENVER DETROIT	HOUSTON INTERCONTINENTAL LAS VEGAS MIAMI NEW YORK LA GUARDIA ORLANDO PHILADELPHIA TAMPA WASHINGTON NATIONAL
--	--



BHM GLOBAL ACCESS

ONE-STOP DESTINATIONS



270 UNIQUE DOMESTIC DESTINATIONS

93 UNIQUE INTERNATIONAL DESTINATIONS

ABE	BFL	CLE	DLH	FNT	HOB	LBB	MKG	PBI		ROA	SMF	VLD	ACA	ELH	MDE	SJD
ABI	BGR	CLL	DRO	FSD	HOU	LCH	MLB	PDX		ROC	SNA	VPS	AGU	EZE	MEX	SJO
ABQ	BIL	CLT	DRT	FSM	HPN	LEX	MLI	PGV		ROW	SPS	WYS	AMS	FCO	MHH	SJU
ABY	BIS	CMH	DSM	FWA	HRL	LFT	MLU	PHF		RSW	SRQ	XNA	ANU	FPO	MID	SKB
ACK	BMI	CMI	DTW	GCC	HTS	LGA	MOB	PHL		SAF	STL	XWA	ATH	FRA	MLM	SLP
ACT	BNA	CNY	EAR	GCK	HVN	LGB	MOT	PHX		SAN	STS	YUM	AUA	GDL	MTY	STI
ACV	BOI	COD	ECP	GEG	IAD	LIH	MQT	PIA		SAT	SUN		AZS	GEO	MZT	STT
AEX	BOS	COS	EGE	GGG	IAH	LIT	MRY	PIR		SAV	SWF		BAQ	GGT	NAS	STX
AGS	BPT	COU	ELM	GJT	ICT	LNK	MSN	PIT		SBA	SWO		BCN	GND	NRT	SVD
ALB	BQK	CPR	ELP	GNV	IDA	LRD	MSO	PLN		SBN	SYR		BDA	GRU	OAX	SXM
ALS	BRO	CRP	ERI	GPT	ILM	LSE	MSP	PNS		SBP	TLH		BGI	GYE	PAP	TAM
AMA	BTR	CRW	EUG	GRB	IND	LYH	MSY	PRC		SBY	TOL		BJX	HAV	PBC	TGU
ANC	BTM	CSG	EVV	GRI	ISP	MAF	MTJ	PSC		SCE	TPA		BOG	HMO	PEI	UIO
ART	BUF	CVG	EWN	GRK	ITH	MBS	MVY	PSP		SDF	TRC		BON	HND	PLS	UVF
ASE	BUR	CWA	EWR	GRR	JAC	MCI	MYR	PUB		SEA	TRI		BZE	ICN	POP	VCE
ATL	BWI	DAB	EYW	GSO	JAX	MCO	OAJ	PVD		SFO	TUL		CDG	KIN	PTY	VER
ATW	BZN	DAL	FAI	GSP	JFK	MDT	OAK	PWM		SGF	TUS		CLO	LAP	PUJ	YUL
ATY	CAE	DAY	FAR	GTF	JMS	MDW	OGG	RAP		SGU	TVC		CTG	LHR	PVR	YYC
AUS	CAK	DCA	FAT	GUA	KOA	MFE	OKC	RDM		SHR	TWF		CUN	LIM	QRO	YYZ
AVL	CHA	DEC	FAY	GUC	LAN	MFR	OMA	RDU		SHV	TXK		CUR	LIR	RTB	ZIH
AVP	CHO	DEN	FCA	HDN	LAR	MHK	ONT	RIC		SJC	TYR		CUU	LOS	SAL	ZLO
AZO	CHS	DFW	FLG	HHH	LAS	MHT	ORD	RIW		SJT	TYS		CZM	LTO	SAP	
BDL	CID	DHN	FLL	HLN	LAW	MIA	ORF	RKS		SLC	VCT		DGO	MAD	SCL	
BFF	CIU	DIK	FLO	HNL	LAX	MKE	PAE	RNO		SLN	VEL		DUB	MBJ	SDQ	



BIRMINGHAM AIRPORT AUTHORITY