

Richland-Lexington Airport District,
South Carolina



Annual Comprehensive
Financial Report
Year Ended December 31, 2024

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2024
WITH
INDEPENDENT AUDITOR'S REPORT

Prepared by:
Finance Department

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2024

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INTRODUCTORY SECTION

RICHLAND-LEXINGTON AIRPORT DISTRICT

Letter of Transmittal

February 6, 2026

To the Members of Richland-Lexington Airport District Commission

We are pleased to submit the "Annual Comprehensive Financial Report" (ACFR) of the Richland-Lexington Airport District, South Carolina (the "District") for the Fiscal Year Ended December 31, 2024 (FY 2024). This report contains a comprehensive analysis of the District's financial position and activities for the period and is presented in four sections: 1) Introductory Section, consisting of this transmittal letter along with a listing of District officials and its organizational structure; 2) Financial Section, consisting of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplementary information, detailed revenue and expense schedules, and victim's rights assistance schedule; 3) Statistical Section, consisting of pertinent financial, non-financial, and general information indicating trends for comparative fiscal periods; and 4) Supplementary Federal Financial Assistance Section, which contains reports on internal controls and compliance with applicable laws and regulations. Since the District is not funded by *ad valorem* property taxes, schedules of property tax data are not included in the Statistical Section of the report.

Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. We believe the enclosed information is accurate in all material aspects, and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District in accordance with generally accepted accounting principles (GAAP) in the United States of America; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activity have been included. Management has established and maintains a system of internal control to provide for this assurance.

The District's annual financial statements have been audited by the independent certified public accounting firm of Scott and Company LLC of Columbia, South Carolina. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has rendered an unmodified opinion on the District's financial statements for the year ended December 31, 2024.

The independent auditor also conducted an audit on the District's Major Federally-funded programs and awards mandated by the Code of Federal Regulations and Subpart F of the OMB Uniform Grant Guidance, designed to meet the special needs of Federal grantor agencies. The standards governing the "Single Audit" engagement require the auditor to report not only on the fair presentation of the District's annual financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of Federal awards. These reports are included in the Supplementary Federal Financial Assistance Reports Section of this report.

Profile of the Government

The District was created in 1962 as a political subdivision of the state of South Carolina and operates the Columbia Metropolitan Airport (the "Airport") in the unincorporated area of Lexington County, South Carolina. The District operates as a special-purpose entity under the laws of the state of South Carolina and is governed by an appointed commission.

Policy making and legislative authority are vested with the District's Commission which consists of twelve members - five members are nominated by the Lexington County Legislative Delegation, five members are nominated by the Richland County Legislative Delegation, and two members are nominated by the City of Columbia Council to serve a term of four years.

The District's Commission is responsible, among other things, for hiring the airport executive director and selecting the independent auditor to audit the annual financial statements. The executive director is responsible for carrying out the policies and ordinances of the District's Commission and to oversee the day-to-day operations of the Airport through the appointment of staff to head various departments – Marketing and Air Service Development, Information Technology, Public Safety, Operations and Properties, Planning and Facilities, Public Safety, Finance and Administration, and Business Diversity and Terminal Support. The District has approximately 67 employees.

A listing of the Commission members and an organizational chart immediately follow this letter.

Factors Affecting Financial Condition

Accounting standards require management of the District to prepare a narrative introduction, overview, and analysis to accompany the basic financial statements. Management's Discussion and Analysis (the "MD&A") is part of the Financial Section of this report. It contains a discussion of the District's current financial statements and activities for the year ended December 31, 2024, and can be found immediately following the *Independent Auditor's Report*. However, the information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates as outlined below.

The Airport

The Airport is comprised of approximately 2,500 acres and is located within the greater metropolitan area of Columbia, South Carolina. The Airport's facilities include two runways (11/29 and 5/23) with lengths of 8,601 and 8,001 feet, respectively; a passenger terminal with 13 aircraft parking positions; parking facilities for 3,180 automobiles; a 108-acre parcel designated as a Foreign Trade Zone with multi-purpose commercial buildings totaling 86,926 square feet; a 448-acre parcel designated for industrial development (CAE Park); two fixed based operators (FBO's) which provide general aviation services; maintenance facilities; and other related facilities and equipment to support public airway travel.

Local Economy and Air Service Area

The air service area consists of an eleven (11) county area of central South Carolina - Richland, Lexington, Calhoun, Clarendon, Fairfield, Kershaw, Lee, Newberry, Orangeburg, Saluda, and

Sumter. The City of Columbia is the center of the air service area. The 2024 population of the same was approximately 1,144,289 from the US Census Bureau County Population Totals.

Economic Conditions and Outlook

The aviation industry continued its recovery as demand increases and pandemic concerns decline. In January 2025 the U.S. Department of Commerce reported that the economy grew by 2.8%, which was consistent with the 2.9% growth rate in 2023 according to an Associated Press article on the PBS.org/newshour website. This economic stability, 2024 passenger growth and 2025 airline passenger projections produced a strong but conservative outlook for 2025 passenger growth.

Airlines

As of December 31, 2024, the following air carriers served the Airport through a variety of operators that change periodically:

Passenger Airlines:

Delta Airlines, Inc.; American Airlines Inc. and United Airlines.

Cargo Airlines:

Federal Express Corporation; Mountain Air Cargo, and United Parcel Service Company.

American Airlines and its 'code-sharing' affiliated airlines continue to claim the majority of passengers at approximately 51.50% of total 2024 enplaned passengers at the Airport. In 1996, United Parcel Service opened a regional package sorting and distribution facility adjacent to the Airport and currently accounts for approximately 9.0% of the airline operations (UPS and feeder carriers) at the Airport.

Airline Agreements

The current signatory airline agreements were effective January 1, 2024 and remain substantially similar to previous agreements first effective January 1, 2010. Changes to the allocation of common space expenses were made to encourage low-cost airline competition, and full implementation of common use equipment and terminal assignments differentiate the 2024 agreement from its predecessors.

Additionally, and pursuant to certain awards by the Federal Aviation Administration (FAA) of the U.S. Department of Transportation, the District has been given the authority to collect and use a \$4.50 per passenger facility charge (PFC's) for a total of \$70,528,884 during the duration of the program. PFC's are collected by the air carriers serving the Airport and are remitted monthly, less a prescribed airline administrative cost. The FAA maintains rules and regulations governing the collection and use of the PFC's.

Internal Control

The District's management appreciates the necessity for a comprehensive framework of internal control as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). To that end, we endeavor to maintain an internal control environment that supports continuous risk assessment, the proper control activities, reliable and secure information and communication, and appropriate monitoring to ensure the effectiveness and efficiency of our

operations, the reliability of our financial reporting, and our compliance with applicable laws and regulations.

Parking Management Agreement

During 2002, the District entered into a contract with Republic Parking System, Inc. to manage the operations of the Airport's public parking facilities. This agreement and the extension option terminated on May 31, 2018. The District entered into a substantially similar five-year agreement with Republic Parking System effective June 1, 2018, which is extended to August, 2024, at which time it was extended again on a month-to-month basis. This additional time allowed the District to conduct a competitive solicitation for parking management services. See *Note 16 Subsequent Events* for further comment.

Rental Car Concession Agreements

The District has entered into substantially similar concession agreements with "on-Airport" rental car companies - Avis, Hertz, Budget, National, Thrifty, Dollar, and Enterprise effective February 1, 2010. These agreements were amended in 2014 with changes to the term, ready return facility, and project debt service element. In accordance with Section 1.1 (Term) of the Amendment to the Rental Car Concession Agreement, the agreement may be terminated with twelve (12) months prior written notice after satisfaction of the remaining bonds associated with refinancing of the Series 2001A bonds. The Series 2013 G.O. Bonds refinanced a portion of the Series 2001A bonds and will be fully satisfied on March 1, 2026.

The rental car agencies pay rent to the District for "on-Airport" terminal counter and office space and ready-return parking spaces, and sales commissions. Additionally, pursuant to certain amendments to the Rental Car Concession Agreements, a \$6.00 per customer per day contract facility charge (CFC's) is collected by the rental concessionaires and remitted to the District monthly. The daily CFC provides for the debt service, rent, and annual operations and maintenance expenses associated with the consolidated service facility.

Other Terminal Concession Agreements

The District maintains several space and sales concession-based lease agreements with concessionaires for food, beverage, retail services and USO station in the terminal building.

Budgetary and Accounting Procedures

The District operates under a January 1 to December 31 fiscal year. During the summer of each year, the District begins preparation of its annual budget. The Director of Finance and Administration, with input from the department heads, prepares a draft of the budget report which is submitted to the Commission's Finance Committee for initial review.

During the budget process, the Executive Director provides the proposed budget and rates available to the signatory airlines for comment and consultation. A final budget is approved by the Commission prior to the beginning of the new fiscal year.

All financial activities of the District are accounted for within a single proprietary (enterprise) fund, which reflects the District's net position, revenue, expenses, and changes in net position using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis concept, revenue is recognized when earned, and expenses are recognized when incurred. Detailed descriptions of the budgetary process and the significant accounting policies of the

District are included in the Notes to Financial Statements.

Acknowledgements

The preparation of this report could not be accomplished without the contributions of the dedicated finance and administration staff.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read "G. K. Hornsby".

Gregory K. Hornsby, CPA
Chief Financial Officer

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
AT DECEMBER 31, 2024

Members of the Commission

Anton Gunn, Chair
Pat G. Smith, Vice Chair

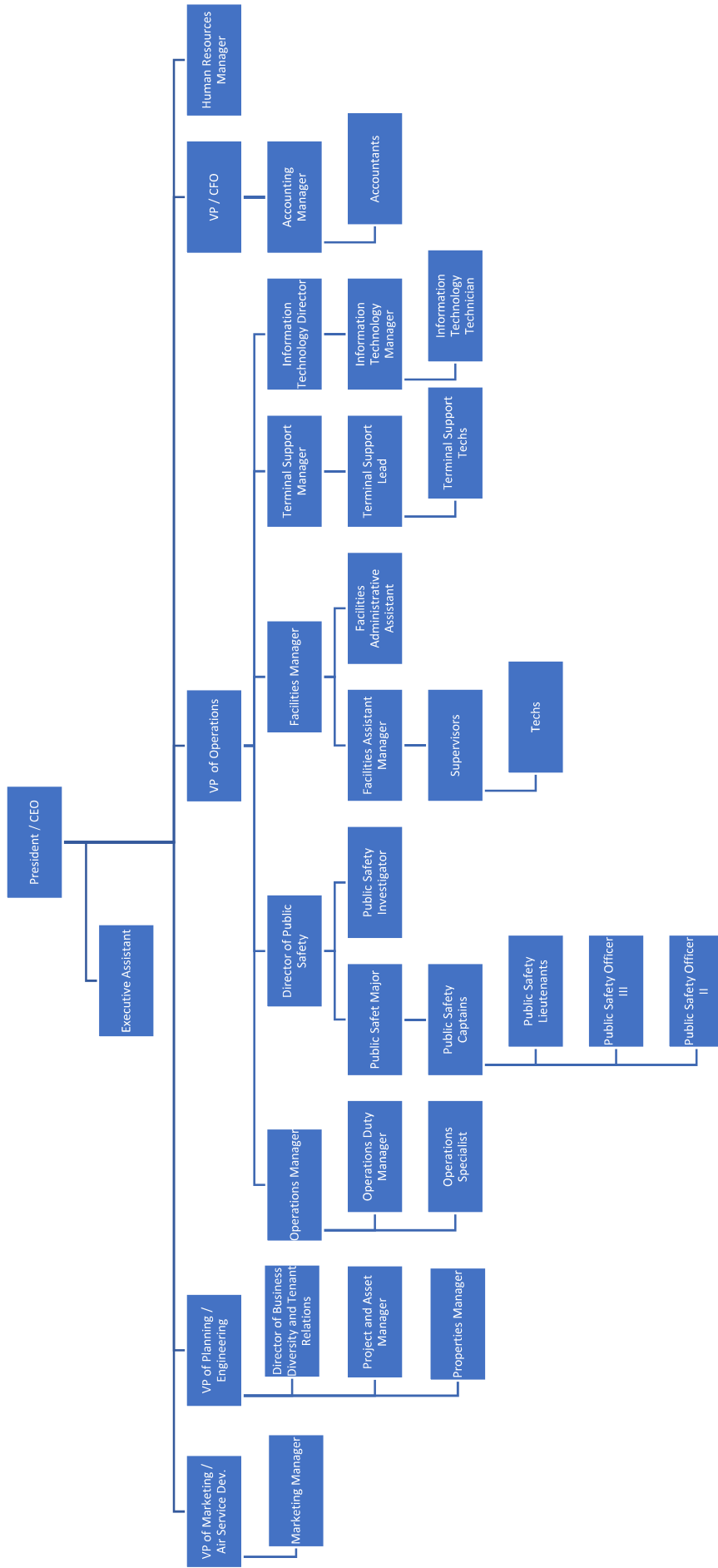
Dan P. Bell
Chappelle Broom- Stevenson
LaJoia Broughton
Duane Cooper
John Folsom
Carol Fowler
Henry J. Jibaja
Dr. Tripp Jones
Breon Walker, Esq.
James C. Wellman

Administrative Officials

Gregory K. Hornsby C.P.A, Interim President/CEO and CFO
Kim Crafton, Vice President Marketing and Air Service Development
Lynne Douglas, Richland-Lexington Airport Commission Secretary
Ryan Kreulen, A.A.E., Vice President of Operations
Frank Murray, Vice President of Planning & Facilities

ORGANIZATIONAL CHART

As of 12/31/2024



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Members of the Airport Commission
Richland-Lexington Airport District, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Richland-Lexington Airport District, South Carolina (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-20, and the pension and OPEB information on pages 62-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District’s basic financial statements. The schedules of operating revenues and expenses, 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*, and the Schedule of Passenger Facility Charges (“PFC”) and expenses as specified in the *Passenger Facility Charge Audit Guide for Public Agencies* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating revenues and expenses and the schedule of expenditures of federal awards, and passenger facility charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the Victim’s Rights Assistance Schedule of Court Fines, Assessments, and Surcharges, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2026 on our consideration of the District’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 District’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 District’s internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
February 6, 2026

RICHLAND-LEXINGTON AIRPORT DISTRICT

**RICHLAND-LEXINGTON AIRPORT DISTRICT,
SOUTH CAROLINA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

Introduction

The Richland-Lexington Airport District, South Carolina, is pleased to present its Annual Comprehensive Financial Report (ACFR) in accordance with Governmental Accounting Standards Board Statement 34, entitled *Basic Financial Statement – Management’s Discussion and Analysis – For State and Local Governments* (GASB 34). Below is management’s required discussion and analysis.

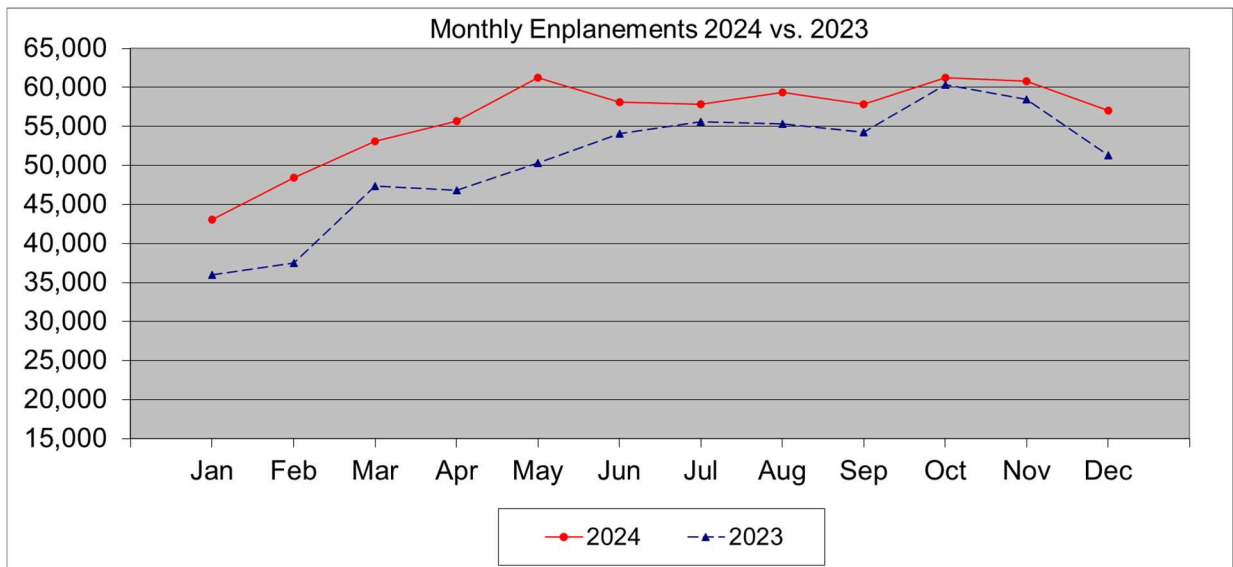
Operating and Financial Highlights

Fiscal Year 2024 enplanements continued the positive year-over-year improvement trend experienced since 2021. As air travel improved at Columbia Metropolitan Airport, the District’s variable revenues responded. This performance enabled the District to enjoy a healthy net change in net position.

Improved load factors (percent of enplanements to seat capacity) of 85.85% (81.41% in 2023) and a 5.16% increase in seat capacity produced a healthy increase in enplanements over 2023 levels.

The following are key operational and financial highlights:

- 673,719 passengers were enplaned in fiscal year 2024, which was a 10.90% increase from the 607,481 passengers enplaned in fiscal year 2023 and exceeded 2019 by 2,305 (0.34%). The 2024 comparison to 2023 is presented in the following chart.



Operating and Financial Highlights (continued)

- Net operating revenue was \$26.2 million.
- Operating expenses before depreciation were \$19.5 million, which was a 11.28% increase compared to fiscal year 2023.
- Net change in net position as a percentage of total revenue and contributions was 23.43% in fiscal year 2024, down from 27.55% in fiscal year 2023.
- Debt service coverage ratio on the annual debt service requirement as computed per the District's Indenture of Trust was 391:1, which exceeded the required Airport Revenue Bond Indenture of Trust covenants.
- The total of cash and cash equivalents and temporary investments (not including restricted assets of the same description) increased by \$4.24 million in fiscal year 2024 due to the increased passenger traffic-related revenue.
- Total assets and deferred outflows of resources at December 31, 2024 were \$222.4 million and were in excess of liabilities and deferred inflows by approximately \$166.9 million (i.e. net position). The net position is comprised of \$133.3 million invested in capital assets (net of related debt), \$25.3 million in net position that is restricted for projects, debt service, pensions, and other purposes, other post-employment benefits, and \$8.4 million that is unrestricted.
- The District capitalized \$5.9 million in 2024 as a transfer from construction in progress to capital assets for airfield and building projects, and equipment.
- Long-term debt activity was comprised of the scheduled annual payments of \$1.7 million in bond principal. In addition, the District paid the Series 2021 Note outstanding balance of \$10,102,791 plus accrued interest of \$22,307 in 2024. Debt is discussed further in *Note 7*.
- Retirement expense associated with GASB 68 was a negative $-\$0.18$ million, and when combined with the $\$0.24$ million net decrease in related Deferred Outflows of Resources and Deferred Inflows of Resources, produced a $\$0.42$ million decrease in Net Pension Liabilities.
- OPEB expense (net of post-measurement benefit payments) computed per GASB 75 was approximately $\$0.32$ million. When combined with the approximate $\$0.14$ million net decrease in the Deferred Outflows of Resources and the related Deferred Inflows of Resources, the OPEB obligation increased by approximately $\$0.18$ million.
- The District's 2024 net position increased by \$10.1 million from 2023. The sum of total assets and deferred outflows of resources increased by \$3.8 million, and the total liabilities and deferred inflows of resources decreased by \$6.3 million.

Overview of Annual Financial Report

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

Overview of Annual Financial Report (continued)

The District's financial statements include the Statement of Net Position; the Statement of Revenue, Expenses, and Changes in Net Position; the Statement of Cash Flows; and Notes to Financial Statements. The Statement of Net Position presents the financial position of the District on a full accrual basis. While the Statement of Net Position provides information about the nature and amount of resources and obligations at the end of a year, the Statement of Revenue, Expenses, and Changes in Net Position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. These statements also provide certain information about the District's recovery of its costs.

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

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

The financial statements were prepared by the District's staff from the detailed books and records of the District. The financial statements were audited during the independent external audit process performed by Scott and Company LLC of Columbia, South Carolina.

Summary of Organization and Business

The District is described in *Note 1* of the Notes to Financial Statements.

The District's Airport Use and Lease Agreements (the "Airline Agreements") with Delta Air Lines, Inc. (Delta), American Airlines, Inc. (American), United Airlines Inc. (United), United Parcel Service Co. (UPS) and Federal Express Corporation (FedEx), (the "Signatory Airlines") were extended to December 31, 2023. A successor agreement became effective January 1, 2024, and is discussed in *Notes 5 and 16*.

Revenue generated from landing fees, terminal rentals, and airline security reimbursement fees are derived primarily from the Signatory Airlines under the Airline Agreements. In general, the current Airline Agreements are a hybrid of both residual and compensatory ratemaking methodologies for the airfield and terminal cost centers, respectively. The non-airline cost centers are Parking & Roadways, Cargo, Rental Cars, Other Leased, and Indirect. The District's cost of operation and maintenance ("O&M") and capital expense are allocated to the seven cost centers based upon their purpose and management's estimate of time and resources spent on each cost center.

Capital expense is also allocated to the different cost centers based upon the benefit derived by each cost center from the airport's assets and any debt associated with its acquisition.

The airfield cost center is residual, meaning the Signatory Airlines completely underwrite the net cost of operating the airfield with no profit opportunity or risk for the District. The terminal cost center is compensatory, meaning that the airlines pay only for the cost of operating the airline areas. The airlines lease preferential space (i.e.: ticket counters, offices, etc.) and are allocated common space (i.e.: terminal and concourse) used by their passengers.

Summary of Organization and Business (continued)

Airlines are either signatory parties to the Airline Agreement, or non-signatories. Signatory Airlines participate in a defined allocation of net revenue or revenue deficits, depending on the annual results of the District's operations through December 31, 2024. Non-signatory airlines do not have the risks or potential rewards associated with the agreement and are granted a permit to operate, which may be terminated with 30-days-notice. Additionally, the rates applied to non-signatory airlines include a twenty-five percent (25%) premium over signatory rates.

Passenger air carriers at December 31, 2024 include operators for Delta, American and United. Cargo air carrier services are provided by UPS and contracted "feeder" airline carriers, FedEx, and its affiliate Mountain Air Cargo. Of these carriers, the UPS "feeder" airlines were non-signatory airlines in 2024.

Non-airline tenants include a retail concessionaire, food concessionaires, rental car agencies, a military support service, federal and state government agencies, corporate aviation, fixed-based operators, and an aircraft maintenance organization. The District owns commercial rental property that is a combination of office, warehouse, and flexible-use spaces with tenants whose lease terms vary from 3-7 years.

The District owns an industrial park adjacent to the Airport. The park is occupied by Flextronics (computers), Allied Air (construction), Beverage South (distribution), CEE-US (utilities), L & L Products (automotive), Harsco Rail (transportation), 100 Enterprise, LLC (commercial real estate), Metropolitan Campus II, LLC (manufacturing), 375 Metropolitan, LLC (commercial real estate), and Concentrated Active Ingredient and Flavors, Inc (manufacturing). The remainder of the park is available for future development and sale.

The District serves as Grantee for Foreign-Trade Zone ("FTZ") 127 which is organized under the Alternate Site Framework. FTZ 127 has a service area encompassing Aiken, Allendale, Bamberg, Barnwell, Calhoun, Clarendon, Edgefield, Fairfield, Kershaw, Lee, Lexington, McCormick, Newberry, Richland, Saluda, and Sumter counties. Komatsu America Corporation (Newberry County), and Constantia Blythewood LLC (Richland County) operate as usage-driven sites. Additionally, M.G. Suber & Associates (Richland County) and Samsung Electronics Home Appliances America (Newberry County) are an authorized sub-zone of FTZ 127 operating warehouses. Revenues are generated in the form of annual fees from all FTZ board-approved operating sites.

Financial Analysis

The following condensed financial statements and other selected information serve as the key financial data and indicators for management, monitoring, and planning. Comments regarding year-to-year variances are included in each section by the name of the statement or account.

CONDENSED STATEMENT OF NET POSITION

	December 31, 2024	December 31, 2023
Assets and Deferred Outflows of Resources:		
Current assets (unrestricted)	\$ 30,469,867	\$ 24,804,790
Current assets (restricted)	25,448,349	26,903,544
Capital assets, net	144,214,011	142,186,502
Leases receivable	16,482,681	18,384,592
Other assets, net	1,579,269	1,579,269
Deferred outflows of resources	4,169,987	4,766,636
Total Assets and Deferred Outflows of Resources	\$ 222,364,164	\$ 218,625,333
 Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities (unrestricted)	\$ 1,192,751	\$ 1,800,372
Current liabilities (payable from restricted assets)	12,166,950	3,941,936
Non-current liabilities	21,825,503	33,624,697
Deferred inflows of resources	20,234,843	22,370,237
Total Liabilities and Deferred Inflows	55,420,047	61,737,242
 Net Position:		
Net investment in capital assets	133,267,498	119,920,526
Restricted	25,294,764	25,778,072
Unrestricted	8,381,855	11,189,493
Total Net Position	166,944,117	156,888,091
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 222,364,164	\$ 218,625,333

Statement of Net Position

The current ratio (current unrestricted assets divided by current unrestricted liabilities) increased to 25.55:1 from 13.78:1 in 2023. The primary reason for the ratio increase is the increase in cash and temporary investments as described below.

The total of cash and temporary investments (current assets, unrestricted) increased by \$4.2 million. The District had 381.63 days cash on hand to meet operating and debt service funding needs, as compared to 329.59 days in 2023. See *Note 3* for a detailed discussion of deposits and temporary investments.

Statement of Net Position (continued)

Accounts receivable, net, comprised of trade receivables from airlines, tenants, parking and concessionaires increased by \$257,178. The number of days of operating revenue in receivables (excluding the effects of the year end signatory airline reconciliation from both revenue and receivables), increased to 29.66 from 29.26 in 2023. Daily operating revenue increased by \$7,843 (12.80%) as variable revenue based on passenger traffic improved during 2024. A summary of receivables is presented in *Note 4*.

Amounts due from airlines increased by approximately \$1 million related to the 2024 Signatory Airline surcharge (rebate). Further discussion is found in *Note 5*.

The combined balances for inventory and prepaid expenses increased by a total of \$108,657 from the 2023 balances. An increase in workers' compensation prepaid insurance and new prepaid service agreements for an integrated work-order system and cybersecurity software account for the change in the combined balances.

Restricted cash increased by \$9.7 million. Passenger Facility Charges (PFCs) increased by \$2.6 million, new state grant funds of \$8.0 million were added, and CAE Park tenant funds increased by \$.1 million. A \$1.0 million restricted deposit with a local bank related to the 2021 Airport Revenue Note was transferred to Unrestricted Cash upon satisfaction of the Note to produce the \$9.7 million increase.

Restricted temporary investments decreased by approximately \$11.9 million. The District paid the Series 2021 Note outstanding balance of \$10,102,791 plus accrued interest of \$22,307 in 2024. See *Note 16* for further discussion of the 2021 Note.

Grant funds receivable of \$2.0 million is an increase of \$670,421 from the 2023 balance. The 2023 balance was comprised of \$1.0 million of TSA funding for the Checked Baggage Inspection System and \$.3 million of AIP funding for the checkpoint modernization, master plan update, taxiway improvement, and other federally funded projects. The 2024 balance is comprised of \$1.2 million of AIP funding and \$.7 million for a South Carolina Aeronautics Commission grant.

Total capital assets net of accumulated depreciation increased by approximately \$2 million. Asset increases of \$14.9 million were offset by depreciation expense of \$12.8 million. The District also retired \$34,422 of assets no longer in service. A reconciliation of all changes to capital assets is provided in *Note 6*, and a brief description of the capital asset activities is provided below.

Funded in part by Airport Improvement Program grants (AIP#s 56,57,60,61-64, 66,67, & 69), the District added \$14.9 million of assets to several airfield (taxiway and radio transmitter/receivers system) and terminal (Checkpoint modernization project and terminal administrative offices), and Master Plan update construction in progress accounts. \$5.9 million of assets produced from these project accounts have been placed into service in 2024. Self-funded projects placed into service in 2024 include a virtual server network, vehicles, terminal advertising monitors, garage cameras and revenue control equipment. Ground support equipment funded with State of SC appropriations were also placed into service in 2024 to provide aircraft service for commercial passenger and cargo operations.

Leases receivable (current and non-current) decreased by \$1.7 million. The District entered into two new commercial real estate leases of \$1.3 million in additions (new leases), scheduled reductions of \$2.9 million, and deletions (terminated terminal concession leases) of \$.1 million. See *Note 9* for further discussion.

Statement of Net Position (continued)

Other Assets include the improvements to the investment in CAE Enterprise Park, which is held for future use and sale. The Enterprise Park improvements are not depreciated and are addressed in *Note 8*.

Deferred losses on bond refunding, net, were affected by normal amortization and accretion of individual Series' losses and gains on refunding. No additional bond transactions that would have affected these balances were executed in 2024.

Deferred outflows of resources related to leases, pensions and other post-employment benefits are discussed in *Notes 9, 10 & 13*.

Current unrestricted liabilities decreased by \$607,621, due primarily to a \$253,578 decrease in accounts payable and a \$163,952 decrease in accrued payroll withholdings due to timing of payments at each year end. In addition, the \$168,464 amounts due to airlines for the signatory rebate in 2023 was a receivable of \$827,868 in 2024.

Current liabilities payable from restricted assets increased by \$8.2 million, attributable to an increase in unearned revenue due to \$8 million in unspent funding from a state grant and a \$1.2 million increase in construction projects payable, offset by a \$775,000 decrease in the current portion of long-term debt and a \$160,340 decrease in accrued interest payable.

The compensated absences balance increased by \$187,432, due primarily to the new GASB 101 liability for anticipated sick leave usage.

Bonds payable (current and non-current) decreased by \$12.5 million. The decrease was comprised of \$1.7 million scheduled principal payments and the payoff of the Series 2021 Note in the amount of \$11 million in 2024. Bond activity is detailed in *Note 7* and *Note 16*.

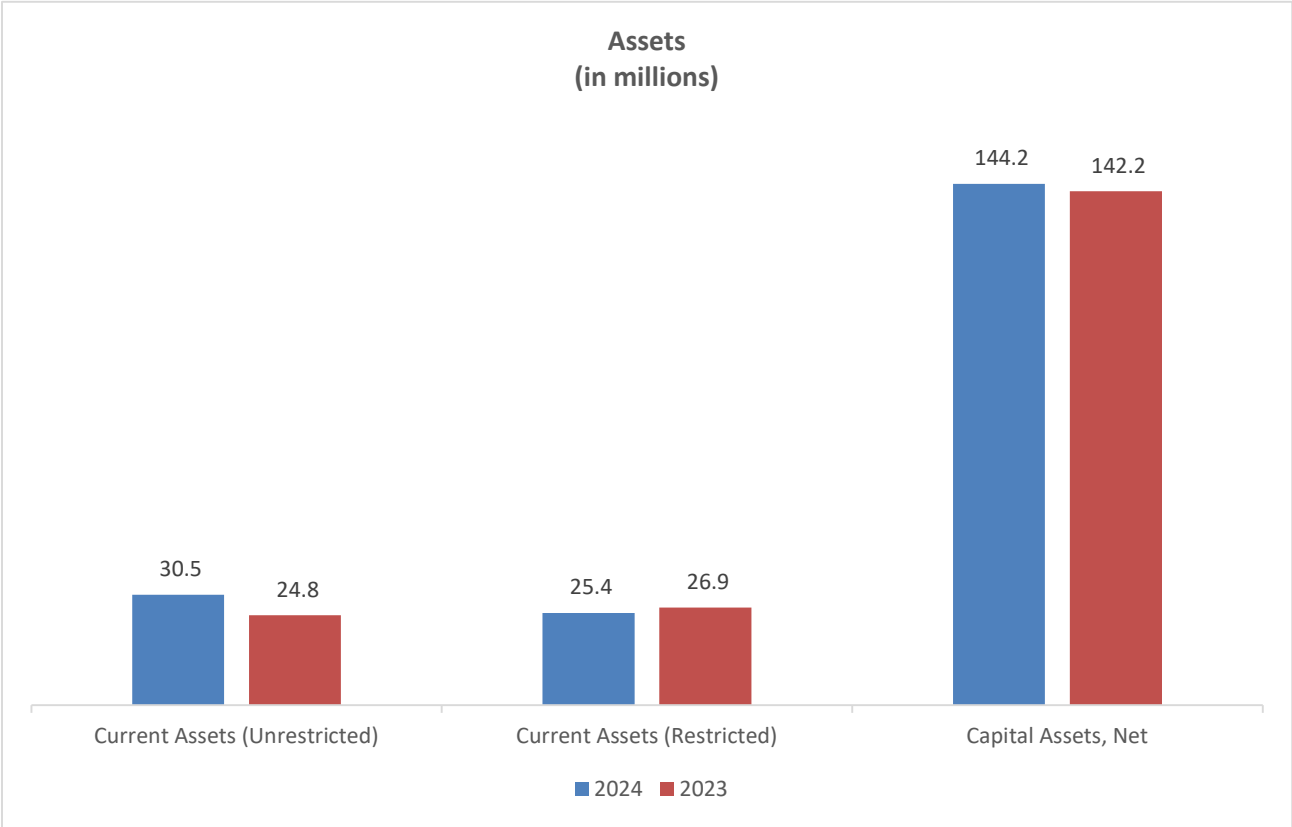
No changes to the retiree health benefit were made in 2024. The liability and deferred inflows of resources at December 31, 2024 increased by \$52,280 from 2023. Further discussion of Other Post Employment Benefits and management's implementation of GASB 75 is presented in *Note 13*.

Net pension liabilities and deferred inflows of resources decreased by \$.51 million and is discussed in detail in *Note 10*.

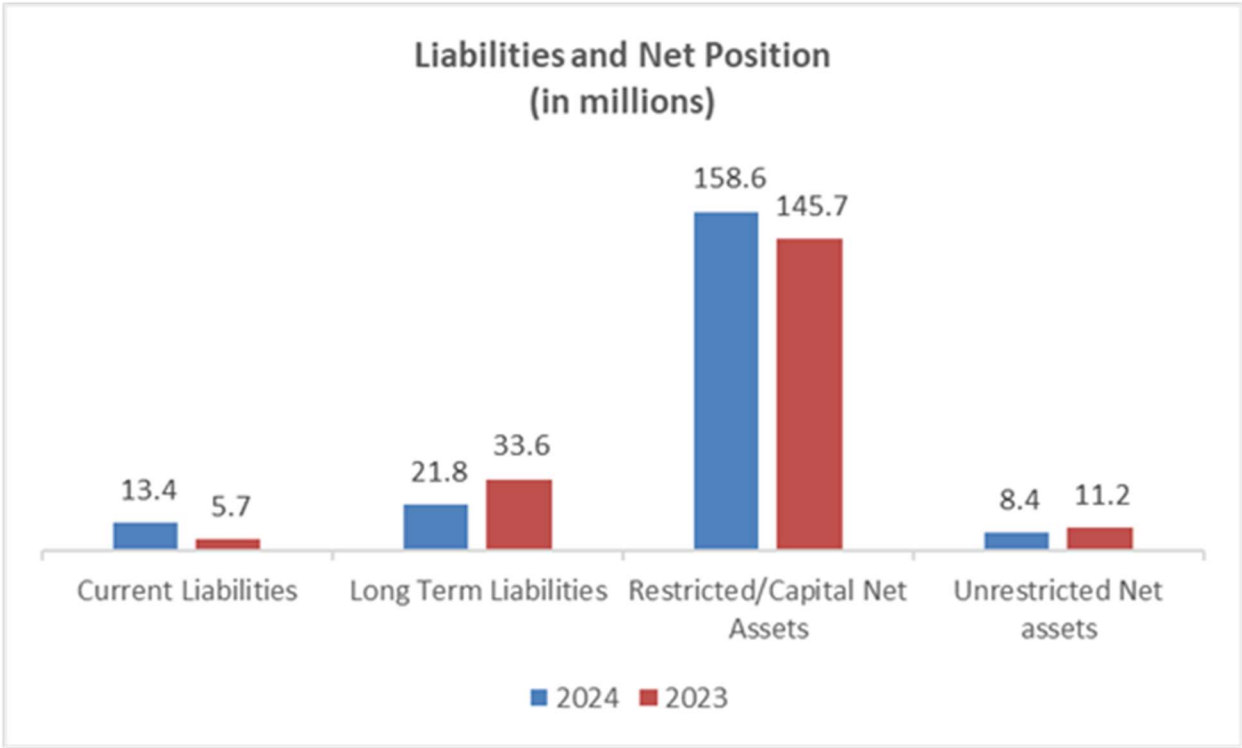
Deferred inflows of resources related to leases decreased by \$1.9 million. Lease additions (as described earlier) of \$1.3 million are offset by scheduled reductions of \$3.2 million and \$.1 million of lease deletions, as described in "Lease Receivable. See *Note 9*, which includes a reconciliation of the impact of non-cash transactions (lease additions and deletions) on the net change in balances to the lease revenue impacting cash provided by operating activities.

Total net position increased by \$10.1 million. The total of capital and restricted net position components increased \$12.9 million and unrestricted net position decreased by \$2.8 million over the 2023 balance. Of note is the decrease in Net Position restricted for Debt Service, which is described in previous comments on Restricted Temporary Investments. See *Note 11* for a comparative summary of net position components.

Statement of Net Position (continued)



Statement of Net Position (continued)



**CONDENSED STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN NET POSITION**

	Years Ended December 31,	
	2024	2023
Total operating revenue		
before Signatory Airline surcharge (rebate)	\$ 25,245,407	\$ 22,382,596
Signatory Airline surcharge (rebate)	996,332	(168,464)
Net operating revenue	26,241,739	22,214,132
Operating expenses (before depreciation)	19,486,204	17,510,532
Depreciation	12,824,996	12,581,288
Total operating expenses	32,311,200	30,091,820
Loss from operations	(6,069,461)	(7,877,688)
Net non-operating revenue	7,342,397	13,553,831
Capital contributions	8,783,090	6,107,196
Net change in net position	\$ 10,056,026	\$ 11,783,339

CONDENSED STATEMENT OF REVENUE AND CONTRIBUTIONS

	Years Ended December 31,	
	2024	2023
Landing fees	\$ 2,553,455	\$ 2,545,109
Leased sites	12,702,527	10,821,767
Terminal rents	9,406,045	8,106,049
Passenger Facility Charges (PFC's)	2,613,043	2,363,815
Contract Facility Charges (CFC's)	3,334,272	2,901,840
Capital contributions	8,783,090	6,107,196
Interest income	1,749,637	1,716,261
Other	583,380	909,671
Gain (loss) on sale of assets, net, and other	127,330	5,000
Signatory Airline (rebate) surcharge	996,332	(168,464)
Federal and other non-capital grants	61,440	7,454,776
Total revenue and contributions	\$ 42,910,551	\$ 42,763,020

Operating Revenue

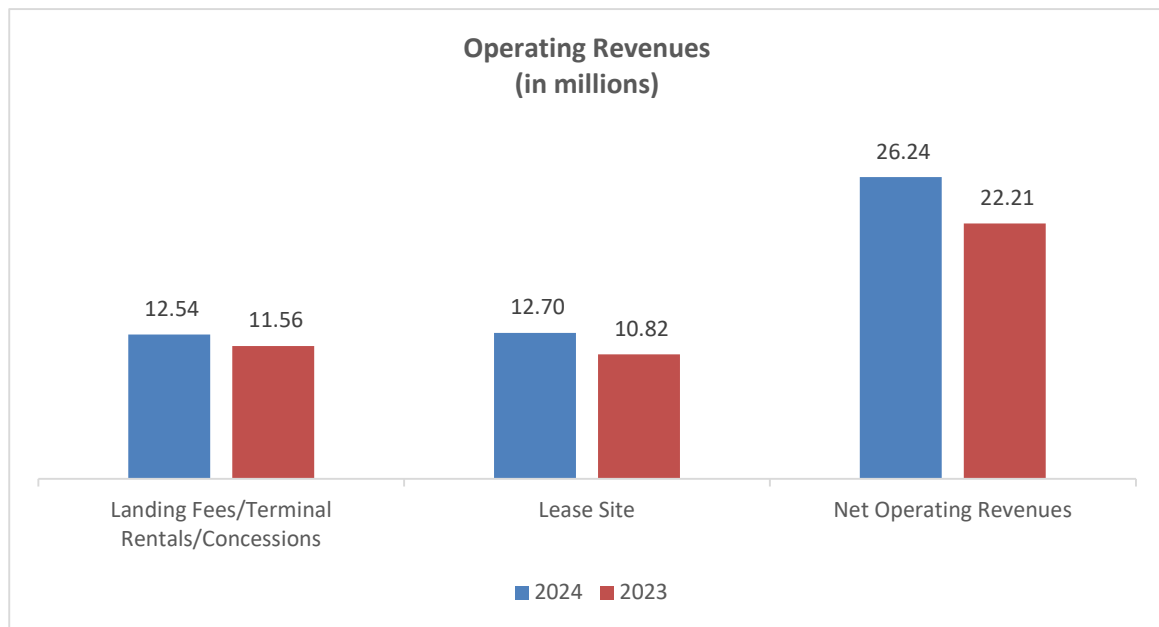
Revenue from operations is comprised of airfield landing fees, tenant rents, and airline security revenue. Total operating revenue before Signatory Airline rebate of \$25.2 million is a \$2.9 million (12.80%) increase over 2023. The percentage increase in total operating revenue is consistent with the 10.90% increase in enplanements, which produced improved traffic-based variable revenue. The following revenue changes occurred in 2024: airline revenues of \$2.1 million (31.03%), parking/ground transportation of \$1.8 million (23.28%), rental cars of \$.3 million (8.55%), food and retail by \$.04 million (5.53%), and other leased sites and terminal rents and commissions of \$.14 million (5.23%).

The result of the current year airline reconciliation is a \$1 million Signatory Airline surcharge at December 31, 2024.

The 2024 signatory airline rates were landing fees of \$2.22 per 1,000 lbs. of certificated landed weight, terminal rental rates of \$35.28 per square foot, and security fee reimbursement of \$1.36 per enplaned passenger.

Parking rates were a maximum of \$10.00 per day for surface parking and \$17.00 per day for the garage. The District's "pre-book" parking option that provides the opportunity to pay less than the regular rates in both the surface and garage. This option produced \$1.0 million of parking revenue and the valet option contributed \$.3 million in 2024.

Operating Revenue (continued)



Operating Expenses

CONDENSED STATEMENT OF EXPENSES

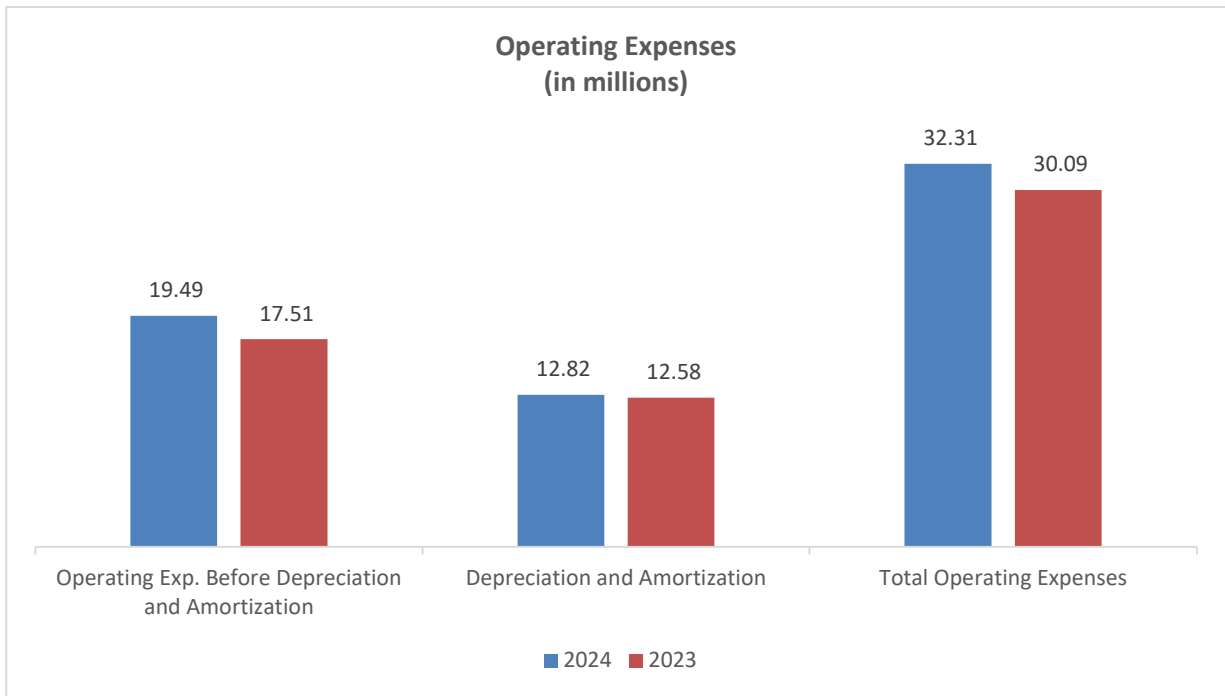
	Years Ended December 31,	
	2024	2023
Operating expenses	\$ 32,311,200	\$ 30,091,820
Interest expense	543,325	887,861
Total expenses	\$ 32,854,525	\$ 30,979,681

The District's expenses are comprised of the following: salaries and employee benefits, supplies, airport operations, travel and education, outside professional services, marketing, and depreciation. Operating expenses before depreciation were \$19.5 million, an increase of \$2.0 million from 2023.

The increased salaries and benefits are largely attributable to the addition of two new positions and increased employee insurance expenses, and the impact of GASB 101 Sick Leave expense. Non-salary and benefit expenses increased by \$1.3 million. Increases in Airport Operations related to the pond dam repair, common-use equipment service contracts (baggage equipment), airfield lighting and repair, jet bridge repairs and spare parts, and parking management fee increases for valet and prepaid discount offerings contributed to the increased expense. Other non-salary expense increases are related to new legislative consulting fees and increased legal/human resources professional services.

Depreciation on 2024 additions contributed to the \$243,708 increase to \$12.8 million. The depreciation on new common use audio equipment, industrial park roadway replacement and new traffic signal, new garage elevator and related construction and aviation ground service equipment were the main components of the increase.

Operating Expenses (continued)



Non-Operating Revenue and Expenses

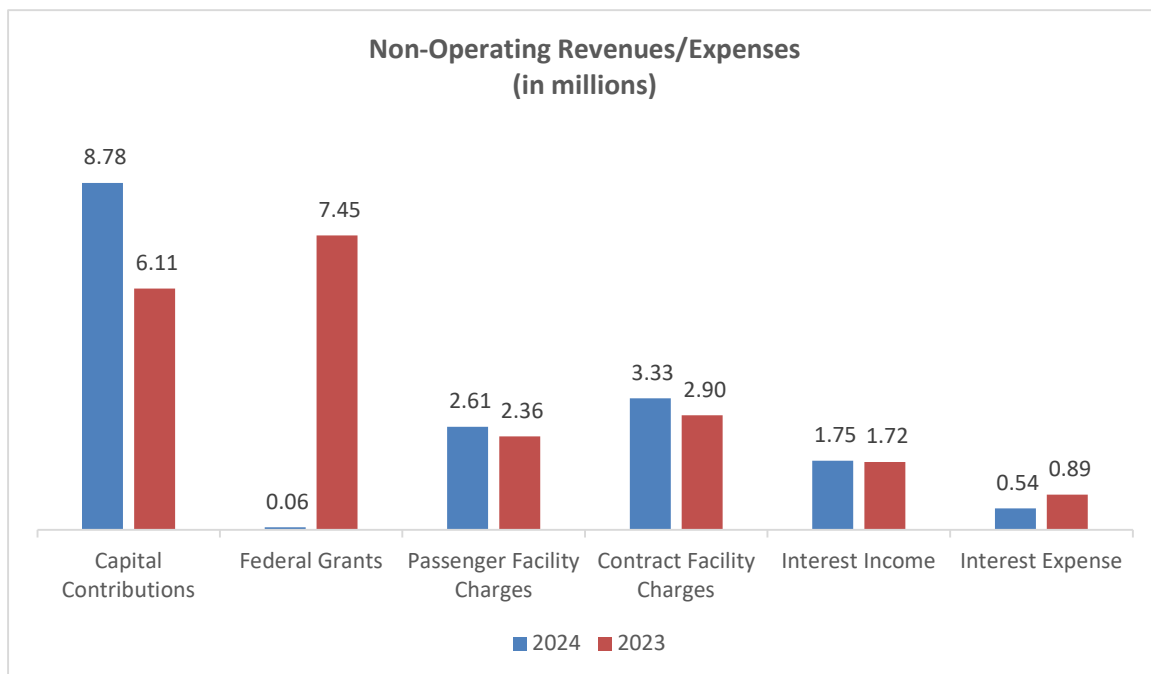
Non-operating Revenue and expenses is comprised of Passenger Facility Charges and Contract Facility Charges (PFC's and CFC's, respectively), interest income, interest expense, gains on sale of assets, and federal grants that reimbursed operating expenses.

PFC revenue of \$2.6 million and CFC revenue of \$3.3 million were increases of \$.25 million and \$.43 million, respectively over the respective 2023 collection amounts. The changes in both revenues are consistent with the previously discussed enplanement recovery.

Interest income on accounts and leases of approximately \$1.7 million is comprised of interest on investments of \$1.2 million and computed interest on leases of \$.5 million. These amounts remained consistent with the 2023 amounts. Interest expense was \$.34 million less than the previous year. Additional details of the 2024 debt activity are provided in *Note 7*.

The non-capital Federal grants were comprised of the Transportation Security Administration grant for law enforcement officer reimbursement of security checkpoint-related expense in the amount of \$61,440 in 2024. In 2023, non-capital federal grants also included the American Recovery Plan (ARPA) grant draws. Management reimbursed itself approximately \$7.3 million for a portion of salary and benefit cost in 2023.

The Capital Contributions of Federal grants include approximately \$5.6 million of Airport Improvement Program (AIP) grant revenue from the Federal Aviation Administration (FAA). The detailed amounts for each federal non-capital and capital grant are presented in the *Schedule of Expenditures of Federal Awards*. The District also received \$3.2 million of funding from the South Carolina Aeronautics Commission.



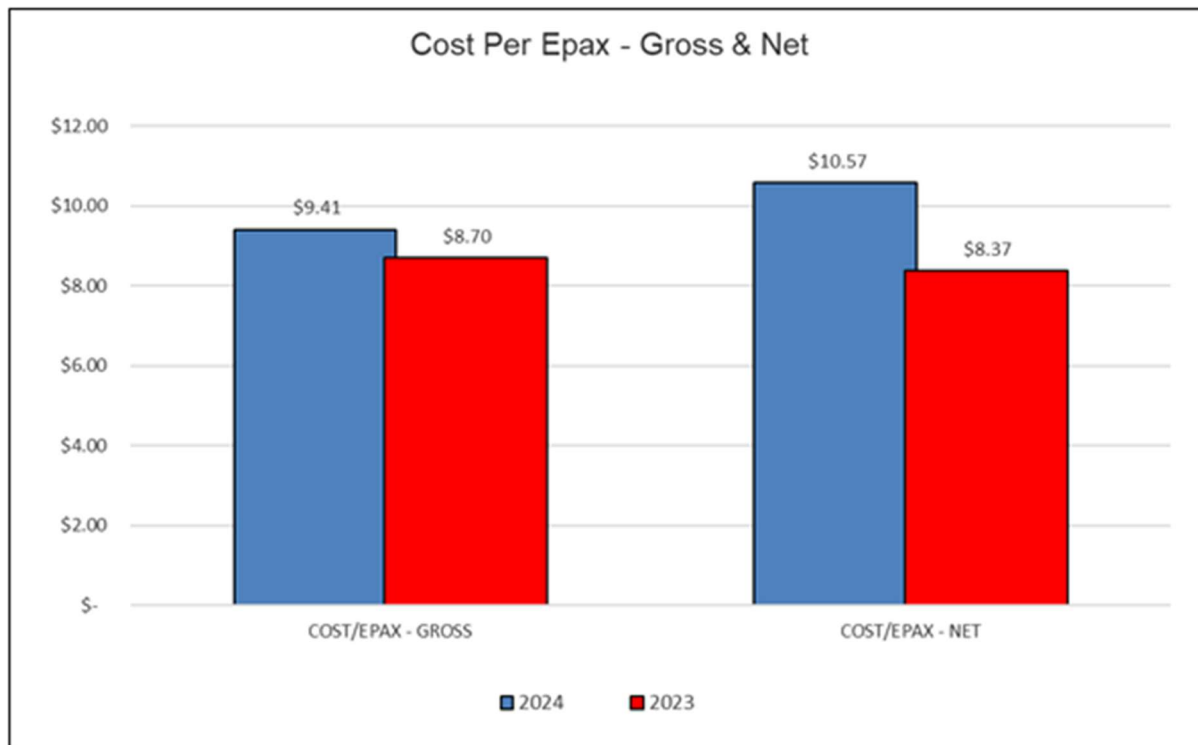
General Trends and Significant Events

Enplaned passenger traffic increased from 2023 levels by 10.90% and exceeded 2019 enplanements by .34%. As previously discussed, variable revenue responded to the increased traffic to assist in making 2024 a profitable year.

As shown in the above graph, Federal Grants (non-operating) was significantly less than 2023 as the District used the \$7.3 million of ARPA funds to reimburse salary and benefit expenses in 2023.

Operating expense levels (excluding depreciation) increased by \$2.0 million (11.3%) over 2023. The common use-related expenses will be recurring but necessary to enable the District to optimize utilization of the terminal and concourse for increased passenger traffic without even more significant capital expenditures. Other expense increases were recovered through insurance claims or offset with additional revenue (ex: valet parking).

The gross cost per enplanement (CPE) is based on the amount invoiced to the airlines for their airport operations. In 2024 the gross CPE was 8.16% higher than the 2023 CPE of \$8.70. Due to increased (and higher than budgeted) personnel, operations, and overhead costs, a signatory airline surcharge was computed for 2024. The surcharge (on a CPE basis) is added to the gross CPE to produce the net CPE shown below. While the change to common use airline space does bring additional cost to the District we expect that continued experience will allow us to manage this cost and provide a lower CPE.



Final Comments

The District's financial performance for the year ended December 31, 2024 was much improved over the previous year in operating and non-operating revenues, with the exception of federal grants (specifically the non-recurring 2023 American Rescue Plan Act "ARPA" funds) which decreased from the previous year.

2024 passenger levels were expected to continue the positive trend through 2025, especially with the addition of Allegiant and Spirit Airlines in May and June 2025, respectively. Despite adding two low-cost carriers, 2025 enplanements were flat (.31% increase) compared with 2024. Two developments stifled growth – American Airline's decision to remove mainline service at CAE and later the October-November 2025 government shutdown. American's service reduction resulted in a loss of over 46,000 enplanements (-13.43%) from 2024 levels. Fortunately, the combination of new low-cost service replaced over 23,000 passengers and Delta's service provided an increase of over 25,000 enplanements over 2024. The government shutdown affected passenger confidence and the schedule reductions imposed on air carriers also combined to negate the positive trends we expected in the last quarter of 2025.

2026 enplanements are expected to increase approximately 5% based on the legacy airline's projections and service reinstatements to Newark, NJ on United and Chicago, IL on American. The District will continue pursuing low-cost carriers as well as growing our aviation services offerings to charters, existing carriers, and cargo operators.

AUDITED BASIC FINANCIAL STATEMENTS

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
STATEMENT OF NET POSITION
DECEMBER 31, 2024

With comparative amounts at December 31, 2023

	2024	2023
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and investments	\$ 8,821,760	\$ 5,363,200
Temporary investments	14,972,793	14,192,019
Accounts receivable, net	2,051,464	1,794,286
Signatory airline receivable	827,868	-
Leases receivable	3,135,475	2,903,435
Inventory	159,828	163,410
Prepaid expenses	500,679	388,440
	30,469,867	24,804,790
Restricted assets:		
Cash and investments	20,069,779	10,324,485
Temporary investments	3,414,970	15,285,880
Grant funds receivable	1,963,600	1,293,179
	25,448,349	26,903,544
Total current assets	55,918,216	51,708,334
Non-current assets:		
Capital assets		
Capital assets, net of depreciation	112,419,213	119,350,269
Capital assets not subject to depreciation	31,794,798	22,836,233
Total capital assets, net	144,214,011	142,186,502
Leases receivable	16,482,681	18,384,592
Total non-current assets	160,696,692	160,571,094
Other assets:		
Other assets, net	1,579,269	1,579,269
Total non-current and other assets	1,579,269	1,579,269
Total assets	218,194,177	213,858,697
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	1,733,139	2,060,479
Deferred outflows of resources related to OPEB	2,436,848	2,706,157
Total deferred outflows of resources	4,169,987	4,766,636
Total assets and deferred outflows of resources	\$ 222,364,164	\$ 218,625,333

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
STATEMENT OF NET POSITION
DECEMBER 31, 2024
-CONTINUED-

	2024	2023
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable	\$ 754,867	\$ 1,008,445
Accrued payroll withholdings	50,691	214,643
Compensated absences - current portion	181,912	151,552
Amounts due to airlines - signatory rebate	-	168,464
Unearned revenue	205,281	257,268
	<u>1,192,751</u>	<u>1,800,372</u>
Current liabilities payable from restricted assets:		
Construction project payable	2,349,610	1,180,256
Unearned revenue	8,000,000	-
Long-term debt - current portion	1,560,000	2,335,000
Accrued interest payable	257,340	426,680
	<u>12,166,950</u>	<u>3,941,936</u>
Total current liabilities	<u>13,359,701</u>	<u>5,742,308</u>
Non-current liabilities:		
Compensated absences	464,767	307,695
Long-term debt	7,036,903	18,750,719
OPEB obligation	5,799,857	5,624,587
Net pension liabilities	8,523,976	8,941,696
Total non-current liabilities	<u>21,825,503</u>	<u>33,624,697</u>
Total liabilities	<u>35,185,204</u>	<u>39,367,005</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	1,075,641	1,163,379
Deferred inflows of resources related to OPEB	605,735	728,725
Deferred inflows of resources related to leases	18,553,467	20,478,133
Total deferred inflows of resources	<u>20,234,843</u>	<u>22,370,237</u>
Net Position		
Net investment in capital assets	133,267,498	119,920,526
Restricted for:		
Capital projects	9,963,600	1,293,179
Debt service	3,414,970	15,285,880
Pensions	514,102	489,262
Other post-employment benefits	378,370	397,712
Other purposes	11,023,722	8,312,039
Unrestricted	8,381,855	11,189,493
Total net position	<u>166,944,117</u>	<u>156,888,091</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 222,364,164</u>	<u>\$ 218,625,333</u>

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

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024
(With comparative amounts year ended December 31, 2023)

	2024	2023
Operating Revenue		
Airfield landing fees	\$ 2,553,455	\$ 2,545,109
Leased sites	12,702,527	10,821,767
Terminal rents and commissions	9,406,045	8,106,049
Other	583,380	909,671
Total operating revenue before Signatory Airline surcharge (rebate)	25,245,407	22,382,596
Signatory Airline surcharge (rebate)	996,332	(168,464)
Net operating revenue	26,241,739	22,214,132
Operating Expenses		
Salaries and employee benefits	9,758,432	8,794,915
Supplies	176,693	199,153
Airport operations	7,490,975	6,732,076
Travel and education	463,110	522,965
Outside professional services	711,122	465,627
Marketing	885,872	795,796
Depreciation	12,824,996	12,581,288
Total operating expenses	32,311,200	30,091,820
Loss from operations	(6,069,461)	(7,877,688)
Non-operating Revenues (Expense)		
Passenger Facility Charges (PFC's)	2,613,043	2,363,815
Contract Facility Charges (CFC's)	3,334,272	2,901,840
Interest income on accounts and leases	1,749,637	1,716,261
Interest expense	(543,325)	(887,861)
Gain on sale of assets, net and other	127,330	5,000
Federal grants and assistance (non-capital)	61,440	7,454,776
Net non-operating revenue	7,342,397	13,553,831
Income from operations and net non-operating revenue before capital contributions	1,272,936	5,676,143
Capital Contributions		
Federal grants	5,576,641	5,502,764
Other capital grants	3,206,449	604,432
Total capital contributions	8,783,090	6,107,196
Net change in net position	10,056,026	11,783,339
Net position, beginning of year	156,888,091	145,104,752
Net position, end of year	\$ 166,944,117	\$ 156,888,091

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

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(With comparative amounts year ended December 31, 2023)

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers	\$ 29,752,097	\$ 16,546,470
Cash received from grantors	61,440	9,871,977
Cash paid to employees for services	(9,591,481)	(8,523,152)
Cash paid to suppliers	(10,090,007)	(8,176,400)
Net cash provided by operating activities	10,132,049	9,718,895
Cash Flows from Capital and Related Financing Activities		
Capital contributions received	8,112,669	7,543,566
Acquisition and construction of capital assets	(13,717,573)	(11,587,819)
Proceeds from bond issuance	-	1,198,043
Principal payments received on leases receivable	2,929,350	2,713,103
Interest received on leases receivable	503,144	534,979
Principal paid on long term debt	(12,440,043)	(4,050,000)
Interest paid	(761,438)	(906,523)
Proceeds from sale of capital assets	161,752	5,000
Passenger Facility Charges (PFCs) collected	2,613,043	2,363,815
Contract Facility Charges (CFCs) collected	3,334,272	2,901,840
Net cash (used in) provided by capital and related financing activities	(9,264,824)	716,004
Cash Flows from Investing Activities		
Purchases of investments	(2,157,152)	(13,422,164)
Proceeds from sales of investments	13,247,288	4,936,886
Investment income	1,246,493	1,181,282
Net cash provided by (used in) investing activities	12,336,629	(7,303,996)
Net increase in cash and cash equivalents	13,203,854	3,130,903
Cash and cash equivalents at beginning of year	15,687,685	12,556,782
Cash and cash equivalents at end of year	\$ 28,891,539	\$ 15,687,685

- CONTINUED -

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(With comparative amounts year ended December 31, 2023)
-CONTINUED-

	2024	2023
Reconciliation of operating loss to net cash provided by operating activities		
Loss from operations	\$ (6,069,461)	\$ (7,877,688)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	12,824,996	12,581,288
Federal grant reimbursement of operating expenses	61,440	7,454,776
Changes in other assets and liabilities:		
Increase in accounts receivable	(257,178)	(277,571)
(Decrease) increase in amounts due to signatory airlines	(996,332)	168,464
Decrease in inventory	3,582	8,946
(Increase) decrease in prepaid expenses	(112,239)	48,617
(Decrease) increase in accounts payable	(253,578)	481,654
Increase (decrease) in accrued expenses and compensated absences	23,480	(12,811)
Increase in unearned revenue	7,948,013	16,394
Increase in OPEB obligation	175,270	538,537
(Decrease) increase in net pension liability	(417,720)	314,117
Decrease in deferred outflows related to pensions	327,340	263,620
Decrease (increase) in deferred outflows related to other post-employment benefits	269,309	(642,009)
Decrease in deferred inflows related to pensions	(87,738)	(514,153)
(Decrease) increase in deferred inflows related to OPEB	(122,990)	324,462
Decrease in deferred inflows related to leases	(3,184,145)	(3,157,748)
Net cash provided by operating activities	\$ 10,132,049	9,718,895
Reconciliation of cash and cash equivalents		
Cash and cash equivalents - unrestricted	\$ 8,821,760	\$ 5,363,200
Cash and cash equivalents - restricted	20,069,779	10,324,485
Total cash and cash equivalents	\$ 28,891,539	\$ 15,687,685

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

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies

By State Statute in 1962, the Richland-Lexington Airport District, South Carolina (the “District”) was created as a political subdivision of the State of South Carolina. Accordingly, the District operates as a special purpose entity under the laws of the State of South Carolina and is governed by an appointed commission. The District operates the Columbia Metropolitan Airport (the “Airport”) in Lexington County, South Carolina.

The District’s Commission consists of twelve members. Five members are appointed by the Richland County Delegation, five members are appointed by the Lexington County Legislative Delegation, and two members are appointed by the Columbia City Council. The members of the commission shall serve for terms of four years and until their successors are appointed.

Basis of Presentation and Accounting – The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Proprietary Fund – All activities of the District are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Net position and revenue, expenses, and changes in net position are reflected using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis concept, revenue is recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating expenses.

The District’s significant accounting policies are described below:

Cash and Cash Equivalents – Cash includes amounts in demand deposits. The District considers all highly liquid investments (including restricted assets) with a maturity of three months or less, when purchased, to be cash equivalents.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies (continued)

Receivables – The District’s accounts receivable are stated at realizable values net of allowances for uncollectible accounts. Management analyzes its receivable balances on a periodic basis and establishes an allowance for uncollectible accounts when collectability is uncertain and material.

Inventory and Prepaid Expenses – Inventories, consisting primarily of supplies and parts held for consumption, are stated at lower of cost, determined using the first-in first-out (FIFO) method, or market. Accordingly, the cost is recorded as an asset at the time individual inventory items are purchased and then expended as the supplies and parts are consumed (“consumption method”). Prepaid expenses represent cost for services applicable to future periods.

Restricted Assets – Restricted assets represent monies or other resources, the use of which is restricted by either externally imposed legal or contractual requirements. At December 31, 2024, the District’s restricted asset accounts were derived from certain grants, bonds, and contract ordinances.

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

Capital Assets and Depreciation – Capital assets, which include land, construction-in-progress, aviation easements, airfield, buildings, and equipment are valued at historical cost if purchased or constructed or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. The construction-in-progress account consists of costs to date associated with construction projects.

Capital assets are defined by the District as those assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years.

Public domain (infrastructure) capital assets (e.g., original airfield – related runway and taxiways and navigational rights, roads, bridges, sidewalks, and other assets that are immovable and of value only to the District) have been capitalized using actual and estimated historical costs.

Depreciation of all exhaustible capital assets has been provided based on the estimated useful lives of the class of assets, or individual assets, using the straight-line method with service lives as follows:

Airfield – 20 to 30 years
Buildings – 15 to 40 years
Equipment – 5 to 8 years

The aviation easement, which is capitalized at historical cost as an intangible asset, provides the District the right to operate various aviation activities, including flight air space, and is deemed to have a perpetual life. Consequently, no amortization is recognized in the accompanying financial statements. Projects in progress are reported at historical cost. Gifts or contributions of property received are recorded at their estimated fair value on the date received by the District.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies (continued)

Other Assets – Certain costs associated with land held for future use and sale are included in other assets. See *Note 8* for further details of the components of other assets.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement Plan (SCRS) and South Carolina Police Officers Retirement Plan (PORS), and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as they are reported by the related plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits – In addition to pension benefits, the District maintains a policy whereby an employee who qualifies under the South Carolina Retirement System's Regular Service retirement and has met years of service requirements with the District may participate in the District's single employer defined benefit other post-employment benefit (OPEB) plan. The retiree pays a percentage of the premium based upon years of service.

Deferred Inflows/Outflows of Resources – Pursuant to GASB Concepts Statement No. 4, "deferred outflow of resources" is a consumption of net position (assets minus liabilities) by the government that is applicable to a future period, while an 'asset' is a resource with present service capacity that the government presently controls. A "deferred inflow of resources" is an acquisition of net position (assets minus liabilities) by the government that is applicable to a future reporting period, while a 'liability' is a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred outflows and inflows of resources are reported separate from assets and liabilities, respectively, in the Statement of Net Position.

Unearned Revenue – Unearned revenue consists of funds received by the District in advance of meeting the requirements necessary to recognize the revenue. The unearned revenue balance was \$8,205,281 and \$257,268 at December 31, 2024 and 2023, respectively. The increase in 2024 was due to an advance payment grant received from the state in the amount of \$8,000,000 which was not spent as of December 31, 2024 and will be paid from restricted assets.

Long-term Obligations – Long-term debt represents un-matured principal of revenue and general obligation bonds and special facility bond (issued for a partial financing of a commercial real estate purchase). The Other Postemployment Benefits liability is also recorded as a long-term obligation (*See Note 13*).

Compensated Absences – The District adopted GASB No. 101, *Compensated Absences*, during the year ended December 31, 2024. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies (continued)

Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The District maintains a policy that allows employees to carry over an amount of accrued vacation not to exceed 360 hours and sick leave not to exceed 720 hours and 1,080 hours for public safety 24-hour shift employees. Accrued vacation is treated as a terminal benefit and is paid to the extent of the accumulated balance upon an employee's termination.

Sick leave is not paid at termination, but amounts in excess of 720 hours and 1,080 hours for public safety 24-hour shift employees are paid to employees in cash at the end of each year. The compensated absences liability includes accrued vacation for which the employees are entitled to paid time off or payment at termination and accrued sick leave which is more likely than not to be used by the employee prior to termination. The District calculates the compensated absences liability based on recorded balances of unused leave for which the employer expects to compensate employees through paid time off or cash payments at termination. That liability is determined by using year-end current salary costs and the cost of the salary-related benefit payments. The net change in the liability is recorded in the current year in the salaries and employee benefits expense category.

Net Position – Net position comprises the various net earnings from operations, non-operating revenue, expenses, and contributions of capital. Net position is classified in the following three components: net investment in capital assets, net of related debt, which consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Net position restricted for capital projects, debt service, pensions, and other purposes consist of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not included in the above categories. See *Notes 10, 11 and 13* for further details.

Lease Accounting – The District, as lessor, leases land, buildings, and terminal space to aeronautical and non-aeronautical tenants, and concessionaires. Payment provisions in these leases are fixed fee, activity-based, or a combination of the two where a Minimum Annual Guarantee (MAG) represents the fixed-fee portion of the annual lease. These leases were previously treated as operating leases that recognized inflows of resources based on the payment provisions.

The adoption of GASB Statement No. 87 – *Leases* for the year ended December 31, 2022 resulted in the recognition of a lease receivable and deferred inflows for leases at December 31, 2024 and 2023. The District also leases land, buildings, and aeronautical infrastructure (passenger apron, taxiways, and runways, etc.) as well as terminal/concourse space to passenger and cargo air carriers through certain “signatory” and “non-signatory” airline lease and use agreements. These leases meet the definition of a regulated lease as defined in GASB 87 and are only subject to the disclosure requirements. See *Note 9* for further details and disclosures.

Grant Revenue and Non-exchange Transactions – Pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, non-operating grants, Passenger and Contract Facility Charges and other contributed capital have been recognized as non-operating revenue.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies (continued)

The District is a recipient of certain Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants. In response to the financial impact of the COVID-19 virus on the aviation industry, additional AIP grants were awarded pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Act (CRRSA), and the American Rescue Plan Act (ARPA) to reimburse lawful expenditures funded by airport revenues. The grant revenue that reimbursed non-capital expenditures is reported separate from those cost-reimbursement grants that have been recognized as capital contributions.

Passenger Facility Charges – Passenger Facility Charges (“PFC’s”) collected pursuant to Federal Aviation Administration (FAA) regulations from enplaned passengers via airlines’ remittances are restricted for future construction, capitalization, and related debt service of the Airport as approved by the FAA. On November 1, 1993, the FAA approved the District to impose a \$3.00 PFC fee. Effective December 1, 2001, the FAA approved a \$1.50 fee increase for a total \$4.50 per enplaned passenger, less a prescribed airline administrative cost. These amounts have been recognized when received as non-operating revenue.

Contract Facility Charges – Contract Facility Charges (“CFC’s”), collected pursuant to certain agreements on automobile rentals, are restricted for debt service, ground use charges, and operations and maintenance expense related to automobile rental tenants. These amounts have been recognized when received as non-operating revenue. In the event of a CFC shortfall the District establishes an accounts receivable for the difference between CFC collections and above-mentioned expenses.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and reported amounts of revenue and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts receivable, bad debt expense, Signatory Airline rebate or surcharge, pension and related assumptions, and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

Newly Adopted Accounting Pronouncements – GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement were effective for reporting periods beginning after June 15, 2023. The implementation of the Statement in 2024 did not have a material impact on the District’s financial statements.

GASB Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The statement aligns the recognition and measurement guidance under a unified model and updates certain previously required disclosures. The requirements of this Statement were effective for reporting periods beginning after December 15, 2023. The District adopted the Statement for the year ended December 31, 2024.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 1. Summary of Significant Accounting Policies (continued)

The adoption of the Statement in 2024 required the District to record an estimated liability for accrued sick leave that will be used by employees as time off in future years as part of the liability for compensated absences. The impact of the adoption of the Statement was not material to the December 31, 2023 compensated absences liability, and therefore the December 31, 2023 net position has not been restated. However, \$151,552 of the December 31, 2023 balance was reclassified to current to conform to current year presentation.

Accounting Pronouncement Not Yet Adopted – GASB Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide financial statement users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, financial statement users will have better information with which to understand and anticipate certain risks to a government’s financial condition. If certain criteria are met for a concentration or constraint, additional disclosures will be required. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024. The District will implement the new guidance with the 2025 financial statements.

Note 2. Legal Compliance – Budgets

The District follows the procedures noted below in establishing its annual budget:

During the fourth quarter of each year, the executive director submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenses and the means of financing them. Prior to January 1, the budget is adopted by the Commission.

Formal budgetary integration is employed as a management control device during the year. The budget is adopted on a basis consistent with GAAP except for purchases of capital assets and payments of debt principal and interest, which are treated as expenditures for budgeting purposes.

For the year ended December 31, 2024, the District operated under a \$23,114,607 budget, of which \$2,328,459 was related to the District’s long-term debt service, \$17,127,609 was related to the District’s operations before depreciation and District-funded \$3,658,539 for capital expenditures, net of federal grant reimbursement.

Note 3. Deposits and Temporary Investments

The District has no formal policy addressing risks (credit risk, custodial credit risk, interest rate risk, and/or concentration of credit risk) associated with its deposits and investments other than the provisions of South Carolina Law for public funds as summarized below.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 3. Deposits and Temporary Investments (continued)

Deposits

Custodial credit risk of deposits is the risk that, in the event of bank failure, the District’s deposits may not be returned to it. At December 31, 2023, the carrying amount of the District’s cash deposits with financial institutions was \$28,890,989 and the financial institution’s balances totaled \$29,590,072. Of the balance, approximately \$500,000 was covered by Federal Depository Insurance and the remaining balance was covered by collateral held by the financial institutions’ trust departments in the District’s name.

Deposits include demand deposits at December 31, 2024 as follows:

	Carrying Amounts	Bank Balances		
		Demand Deposits	Money Market Funds	Totals
Funds with financial institutions	\$ 8,821,210	\$ 8,821,210	\$ —	\$ 8,821,210
Funds on hand	550	—	—	—
Unrestricted cash and equivalents	\$ 8,821,760	\$ 8,821,210	\$ —	\$ 8,821,210
Restricted cash and cash equivalents	\$ 20,069,779	\$ 20,069,779	\$ —	\$20,069,779

Temporary Investments

The District’s investments are carried at fair value. At December 31, 2024 the District had the following investments subject to interest rate risk:

	Fair Value	Maturity
Unrestricted State Treasurer's Investment Pool	\$ 14,972,793	60 days weighted average of portfolios
Restricted Money Market Funds	\$ 3,414,970	8 days weighted average of portfolios

The South Carolina Treasurer’s Office established the South Carolina Local Government Investment Pool (“the Pool”) pursuant to Section 6-6-10 of the South Carolina Code of Law. The Pool is an investment trust fund, in which monies in excess of current needs which are under the custody of any county treasurer or any governing body political subdivision of the State may be deposited.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 3. Deposits and Temporary Investments (continued)

The Pool is a Rule 2a 7-like pool which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but has a policy that it will operate in a manner consistent with the SEC’s Rule 2a 7 of the Investment Company Act of 1940. Investment shares with the Pool are subject to redemption upon demand by the District. The fair value of the District’s investment in the Pool is the same as the value of the Pool shares.

Credit Risk – State statute authorizes the District to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an “A” or better by Moody’s Investors Services, Inc. and Standard and Poor’s Corporation or their respective successors; interest bearing accounts in savings and loan associations to the extent that the same are insured by an agency of the Federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however such collateral shall not be required to the extent the same are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner.

The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The District has no investment policy that would limit its investment choices other than its compliance with State Law. The Pool limits its investments to the same State Law requirements.

Custodial credit risk – Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution’s trust department in the District’s name. As of December 31, 2024, the District was not exposed to custodial credit risk.

Concentration of credit risk – The District places no limit on the amount it may invest in any one issuer. More than 5% of the District’s investments are in money market funds, which comprise 18.6% of the District’s total investments.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 4. Receivables

Receivables include amounts due the District for landing fees, leases of sites and terminal spaces, and parking fees. At December 31, receivables consisted of the following:

Accounts	2024
Airfield landing fees	\$ 222,343
Leased sites	59,166
Terminal building	897,169
Parking	640,113
Other	232,673
Net accounts receivable	\$ 2,051,464
AIP	1,218,779
SC Aeronautics	744,821
Grant funds receivable	\$ 1,963,600

Management considers the allowance for uncollectible accounts at December 31, 2024, to be immaterial.

Restricted grant funds receivable at December 31, 2024, consists of \$1,218,779 from the Federal Aviation Administration (FAA) for the Airport Improvement Grant Program, and \$744,821 from the South Carolina Aeronautics Commission grant. These receivables have been recognized as part of restricted assets.

Note 5. Signatory Airline Contracts

The District entered into substantially similar Airport Use and Lease Agreements (the “Airline Agreements”) with Delta Air Lines, Inc., American Airlines, United Airlines Inc., United Parcel Service Co., and Federal Express Corporation (the “Signatory Airlines”), containing substantially similar provisions.

Each Airline Agreement was effective January 1, 2018, and expired on December 31, 2022. The District and each of the Signatory Airlines entered into a one-year extension of the above Airline Agreement terminating December 31, 2023, to allow the parties to negotiate a new Airline Agreement.

On May 20, 2024, the District executed substantially similar successor agreements to the 2018 Signatory Airline Contracts, effective January 1, 2024. The new contracts are successive one-year terms which automatically renew unless terminated with a six-month notice by either the District or a majority of the Signatory Airlines.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 5. Signatory Airline Contracts (continued)

The agreements address the common use additions and usage rules (ticket counters, check-in kiosks, and gate assignments), cost enhancements to promote increased air service competition, and numerous administrative changes.

Pursuant to the Airline Agreement, the Signatory Airlines are charged an aircraft landing fee, and as applicable, terminal rent and a security reimbursement fee. The methodology for computing these fees is set forth in the Airline Agreement and is also used to perform an annual reconciliation of billed airline charges to actual airline cost and a determination of an airline surcharge (accounts receivable) or rebate (accounts payable) at the end of each year.

The results of the annual reconciliations affecting the Statement of Revenue, Expenses, and Changes in Net Position for the years ended December 31, 2018, through December 31, 2024, are combined (“netted”) into one balance recorded on the Statement of Net Position for the same years.

Note 6. Capital Assets

A summary of changes in capital assets during the year ended December 31, 2024, is as follows:

Capital Assets	Balance 12/31/2023	Additions	Retirements	Transfers	Balance 12/31/2024
Not subject to depreciation:					
Land	\$ 14,313,694	\$ -	\$ -	\$ -	\$ 14,313,694
Construction-in-progress	5,713,012	14,886,927	(34,422)	(5,893,940)	14,671,577
Avigation Easement	2,809,527	-	-	-	2,809,527
Total capital assets not depreciated	22,836,233	14,886,927	(34,422)	(5,893,940)	31,794,798
Subject to depreciation:					
Airfield	139,857,710	-	-	763,826	140,621,536
Buildings	187,432,782	-	-	3,399,450	190,832,232
Furniture, Vehicles, Equipment	13,968,747	-	-	1,730,664	15,699,411
Total capital assets subject to depreciation	341,259,239	-	-	5,893,940	347,153,179
Less: accumulated depreciation					
Airfield	(99,056,148)	(4,467,838)	-	-	(103,523,986)
Buildings	(112,299,902)	(7,232,415)	-	-	(119,532,317)
Furniture, Vehicles, Equipment	(10,552,920)	(1,124,743)	-	-	(11,677,663)
Total accumulated depreciation	(221,908,970)	(12,824,996)	-	-	(234,733,966)
Net capital assets subject to depreciation	119,350,269	(12,824,996)	-	5,893,940	112,419,213
Net capital assets	\$ 142,186,502	\$ 2,061,931	\$ (34,422)	\$ -	\$ 144,214,011

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 6. Capital Assets (continued)

Total depreciation expense for the year ended December 31, 2024, equaled \$12,824,996. The District retired \$34,422 of assets no longer in use as of December 31, 2024.

Note 7. Long-Term Debt

The District had the following outstanding long-term debt (excluding compensated absences, net pension liabilities and other post-employment benefits) at December 31, 2024:

Bonds Payable

Outstanding Debt	12/31/2024
Taxable Airport Revenue Bonds, Series 2001B	\$ 7,280,000
\$16,790,000 Bonds of 2001B are due in annual installments of \$230,000 to \$1,255,000 beginning January 1, 2006 through January 1, 2031 with interest at 5.33% to 6.74%. Issued to fund rental car facility improvements.	
Airport General Obligation Refunding Bonds, Series 2013	1,260,000
\$10,000,000 Bonds of 2013 due in annual installments of \$500,000 to \$1,450,000 through March 1, 2027 (original date) with interest at 2.75% to 4.00%. Issued to refund a portion of Series 2001A Airport Revenue Bonds. Revised final payment date of March 1, 2026 due to in-substance defeasance.	
Total Bonds Payable	\$ 8,540,000

The District’s aviation revenue bond is not secured with a pledge of assets, but rather by a pledge of the Trust Estate under the Indenture of Trust dated as of February 1, 1995. The Trust Estate and Series Security are discussed below in the Pledged Revenue section. Bonds secured by the Indenture are not subject to acceleration upon the occurrence of an event of default.

The District’s general obligation bond is not secured by a pledge of assets. The full faith, credit, resources, and taxing power of the District is irrevocably pledged for the payment of principal and interest on the Series 2013 Bonds. There are no stated events of default under the Indenture, nor are the Series 2013 Bonds subject to acceleration upon the occurrence of an event of default. There are no termination events with finance-related consequences applicable to the Series 2013 Bonds.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 7. Long-Term Debt (continued)

Changes in bonds payable for the year ended December 31, 2024, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds and note payable:				
Airport Revenue Bonds	\$ 8,245,000	\$ -	\$ (965,000)	\$ 7,280,000
Airport Revenue Note	10,790,043	-	(10,790,043)	-
General Obligation Bonds	1,945,000	-	(685,000)	1,260,000
Plus: net amounts for original issuance premium	105,676	-	(48,773)	56,903
Less: current portion due within one year	(2,335,000)	-	775,000	(1,560,000)
Net long-term bonds and note payable	<u>\$ 18,750,719</u>	<u>\$ -</u>	<u>\$ (11,713,816)</u>	<u>\$ 7,036,903</u>

Principal reductions were comprised of scheduled payments of \$1,650,000 and \$10,790,043 defeasance of the 2021 Airport Revenue Note. Cash interest paid during the current year was \$761,438. Total “Net Revenues” as defined by the District’s Indenture of Trust (before Series Security) was \$4,799,698.

The Series 2021 Note was a direct placement note issued pursuant to the Eighth Supplemental Indenture of Trust dated January 1, 2021. The District executed a Credit Agreement and other such documents on January 28, 2021, to defray a portion of the construction of a baggage handling facility and related improvements with Ameris Bank. The lender agreed to establish a credit facility not to exceed the principal sum of \$12,250,000, which is evidenced by a \$12,250,000 Tax-Exempt Revenue Note (AMT), Series 2021 payable to the order of the Lender. The Note’s interest rate was 2.46% per annum, and it initially had a 10-year term. The District borrowed a total of \$10.8 million on the credit facility as of December 31, 2023. On March 29, 2024 the District paid the Series 2021 Note outstanding balance of \$10,102,791 plus accrued interest of \$22,307. There was no gain or loss related to the transaction.

The outstanding balance of the Series 2014 A Airport Refunding Bonds was also paid in 2024 in accordance with the standard payment terms.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 7. Long-Term Debt (continued)

The future annual requirements of bonded debt and note payable at December 31, 2024 are as follows:

Airport Revenue Bond			
Years Ended			
December 31,	Principal	Interest	Total
2025	\$ 845,000	\$ 462,196	\$ 1,307,196
2026	905,000	403,221	1,308,221
2027	965,000	340,202	1,305,202
2028	1,030,000	272,970	1,302,970
2029	1,105,000	201,021	1,306,021
2030 - 2031	2,430,000	166,478	2,596,478
	\$ 7,280,000	\$ 1,846,088	\$ 9,126,088
	\$ 7,280,000	\$ 1,846,088	\$ 9,126,088

General Obligation Bond			
Years Ended			
December 31,	Principal	Interest	Total
2025	\$ 715,000	\$ 26,181	\$ 741,181
2026	545,000	8,176	553,176
	\$ 1,260,000	\$ 34,357	\$ 1,294,357
	\$ 1,260,000	\$ 34,357	\$ 1,294,357

Pledged Revenue

Pursuant to Bond Indenture of Trusts, the Trust Estate is comprised of substantially all the District's operating revenue, net of expenses, is pledged for bonds repayment. The District is required by its Indenture of Trust debt covenants to produce a sum of Net Revenue and Series Security of at least 125% of the Adjusted Debt Service Requirement for such fiscal year. This requirement exists for all debt issued pursuant to the Indenture, which is the Series 2001B bonds as of the balance sheet date.

Other obligations for which the District has pledged future revenue net of specified operating expenses include the Series 2001B Taxable Airport Revenue Bonds, Series 2013 General Obligation Bonds, and the Series 2014 A Airport Refunding Bonds. Annual principal and interest requirements on those obligations required 21% of net revenue.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 7. Long-Term Debt (continued)

Debt Service Coverage

The District has a rate covenant associated with its outstanding general airport revenue bonds which requires the District to establish rates and charges that generate “Net Revenue” as defined by the Indenture of Trust that are at least equal to 125% of the “Adjusted Debt Service Requirement” as defined by the same indenture. The revenue and expense associated with the Airport Commerce Center are excluded from the general airport revenue bonds “Net Revenue” in the computation of the debt service coverage. For the year ended December 31, 2024, the District is in compliance with the rate covenant.

Bond Premium and Amortization

The net amount for original issue premiums is associated with the Series 2013 G.O. Bond issued in April 2013. The original premium was \$755,919 and has been reduced by an accumulated amortization of \$699,016 through December 31, 2024, for a net amount of \$56,903. The annual amortization is \$48,774, which will remain in effect until the Bond’s final payment on March 1, 2026.

Note 8. Restricted and Other Assets

Restricted Assets

Certain resources set aside for revenue bond repayment or to satisfy certain restrictive covenants of the bond agreements are classified as restricted assets. The restricted cash and cash equivalents of \$20,069,779 and temporary investments of \$3,414,970 represent the District’s funds restricted for such purposes.

The \$1,963,600 grant funds receivable is detailed in *Note 4*.

Other Assets

The District’s other assets totaling \$1,579,269 consist of improvements to the investment in the CAE Enterprise Park held for future aviation-related use and sale.

Note 9. Leases Receivable

The District leases a portion of its land and buildings to various third parties with terms that expire in 2025 through 2037. Lease payments may be fixed for the term or include periodic increases based on specific percent increases or changes in the Consumer Price Index. Additionally, the District leases space to concessionaires with payments based on the greater of a contracted percentage of receipts or a minimum annual guarantee. For the implementation of GASB 87, the computation of the lease receivable is based only on the minimum annual guarantee. The leases held by the District do not contain an implicit rate of return, therefore the District utilizes its incremental borrowing rate of 2.46% to discount the future lease payments for the net present value of the lease receivable.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 9. Leases Receivable (continued)

Lease revenue recognized from these agreements for the year ended December 31, 2024, was \$3,212,757, comprised of \$3,184,145 from existing leases and \$28,612 from lease amendments. Interest revenue of \$501,828 was recognized. The following schedule presents the net present value of future annual payments to be received from the District’s lease agreements included in the measurement of the lease receivables (total of current and non-current) as of December 31, 2024:

Years Ended December 31,	Receivable Principal Amounts	Interest Amounts
2025	\$ 3,135,475	\$ 447,044
2026	2,937,537	371,373
2027	2,797,757	301,781
2028	2,430,443	236,328
2029	3,086,588	217,601
2030-2034	4,169,398	312,556
2035-2038	1,060,958	36,410
Totals	\$ 19,618,156	\$ 1,923,093

Reconciliation of change in Deferred Inflows related to leases

The lease revenue associated with existing leases is an item on the Statement of Cash Flows in the reconciliation of operating loss to net cash provided by operating activities. Lease amendments (reductions) and new leases (additions) are treated as non-cash items and require a separate reconciliation to present the change in Deferred Inflows related to leases and is shown below:

Decrease in deferred inflows related to leases	\$	(3,184,145)
Non-Cash Transactions		
Lease amendments		(28,612)
Lease additions		1,288,091
Net non-cash transactions		1,259,479
Change in deferred inflows related to leases	\$	(1,924,666)

Lease revenue from agreements that are not subjected to GASB 87 total \$9,489,770 and are not included in the lease receivable. These leases are either short-term (less than 12 months) or are Regulated leases. Regulated leases are described in paragraphs 42 and 43 of GASB Statement No. 87 as those subject to external laws, regulations, or legal rulings, such as requirements from the U.S. Department of Transportation and the Federal Aviation Administration. All regulated leases between the District and air carriers that provide for preferential use of certain airport infrastructure. Lease revenue from regulated air carriers totaled \$8,751,345 for the year ended December 31, 2024.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (“GAAP”). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an ACFR containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Descriptions

- The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems’ trust funds for financial statement purposes.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

- The South Carolina Police Officers Retirement System (“PORS”), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, certain newly hired state, public school and higher education employees, as well as individuals first elected to the S.C. General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.
- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Required <u>employee</u> contribution rates ¹ are as follows:		
	Fiscal Year 2024	Fiscal Year 2023
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%
Required <u>employer</u> contribution rates ¹ are as follows:		
SCRS		
Employer Class Two	18.56%³	18.56% ³
Employer Class Three	18.56%³	18.56% ³
State ORP		
Employer Contribution ²	18.56%³	18.56% ³
PORS		
Employer Class Two	21.24%⁴	21.24% ⁴
Employer Class Three	21.24%⁴	21.24% ⁴
¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. ² Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member’s account with the remainder of the employer contribution remitted to the SCRS. ³ Includes incidental death benefit contribution rate of 0.15%. ⁴ Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.		

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by PEBA’s consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provision for any of the systems.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return¹	7%	7%
Projected salary increases	3.0% to 11.0%	3.5% to 10.5%
Benefit adjustments	(varies by service)¹	(varies by service)¹
	lesser of 1% or \$500	lesser of 1% or \$500
	annually	annually

¹ Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Assumptions used in the determination of the June 30, 2024, TPL are as follows:

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

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of June 30, 2023, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers’ Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
PORS	\$ 10,177,904,231	\$ 7,178,118,865	\$ 2,999,785,366	70.5%

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements. The District’s net pension liability at December 31, 2024 was \$8,523,976.

The change in the District’s proportionate share of the net pension liability for SCRS is as follows between the years ended December 31, 2024 and 2023:

System	December 31, 2024	December 31, 2023	Change
SCRS	0.026857%	0.027268%	(0.000411)%
PORS	0.074202%	0.077168%	(0.002966)%

The District’s change in proportionate share of the net pension liability and related deferred inflows and outflows of the resources will be amortized into pension expense over the respective average remaining service lives of the system.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity¹	9.0%	9.60%	0.86%
Private Debt¹	7.0%	6.90%	0.48%
Real Assets:	12.0%		
Real Estate ¹	9.0%	4.30%	0.39%
Infrastructure ¹	3.0%	7.30%	0.22%
 Total Expected Return ²	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

¹ RSIC Staff and Consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30% of total plan assets.

² Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

Discount Rate

The discount rate used to measure the TPL was 7 percent at June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Sensitivity Analysis

The following table presents the District’s proportional share of the collective NPL of the participating employers calculated using the discount rate of 7.00 percent, as well as what the District’s proportional share of the employers’ NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 8,161,581	\$ 6,298,065	\$ 4,581,915
PORS	\$ 3,224,919	\$ 2,225,911	\$ 1,407,672

Deferred Outflows (Inflows) of Resources

For the year ended December 31, 2024, the District recognized pension expense of approximately \$845,000. At December 31, 2024, the District reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 514,102	\$ —
Differences between actual and expected retirement plan experience	416,019	(20,578)
Change in proportionate share of net pension liability	130,936	(175,018)
Change in actuarial assumptions	159,496	—
Difference between projected and actual investment earnings	512,586	(880,045)
	<u>\$ 1,733,139</u>	<u>\$ (1,075,641)</u>

The District reported \$514,102 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the District’s proportional share of the net balance of remaining deferred outflows (inflows) of resources at December 31, 2024. Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2024 was 3.616 years for SCRS and 3.755 for PORS.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 10. Employee Retirement (continued)

Measurement Period	Fiscal Year		
Ending June 30,	Ending	SCRS	PORS
Ending June 30,	December 31,	SCRS	PORS
2025	2025	\$ (68,031)	\$ (44,116)
2026	2026	236,870	138,999
2027	2027	(23,634)	30
2028	2028	(63,727)	(32,995)
		\$ 81,478	\$ 61,918

The District's contributions to SCRS and PORS for the fiscal year ended December 31, 2024 was \$845,177.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 11. Net Position

Net position represents the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources.

A summary of the components of net position amounts follows at December 31,:

	2024	2023
Net Investment in Capital Assets		
Net property, plant and equipment in service	129,542,435	136,473,490
Construction in progress	14,671,576	5,713,011
Less:		
Bonds payable, net	(8,596,903)	(21,085,719)
Construction project payable	(2,349,610)	(1,180,256)
	133,267,498	119,920,526
 Restricted for Capital Projects		
Grant funds receivable	1,963,600	1,293,179
State and local grants	8,000,000	-
	9,963,600	1,293,179
 Restricted for Debt Service	3,414,970	15,285,880
 Restricted for Pensions	514,102	489,262
 Restricted for OPEB	378,370	397,712
 Restricted for Other Purposes		
Law enforcement activities	94,513	126,593
Passenger Facility Charges	7,394,139	4,781,096
Contract Facility Charges	3,195,600	3,173,871
CAE Park	337,324	220,667
Other purposes	2,146	9,812
	11,023,722	8,312,039
 Unrestricted	8,381,855	11,189,493
 Total Net Position	166,944,117	156,888,091

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 12. Commitments and Contingencies

Litigation

The District is party to legal proceedings that normally occur in governmental operations. District officials believe the legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

Federal and State Assisted Programs

In the normal course of operations, the District receives grant funds from various federal and state agencies. As discussed in *Note 1 Grant Revenue and Non-Exchange Transactions*, the District was awarded grants through the CARES, CRSSA, and ARPA programs to reimburse certain operating expenses and is reported separate from those AIP grants which reimburse capital expenditures. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could result in the refund of grant monies to the grantor agencies. However, management believes that any required refunds would be immaterial, and no provision has been recorded in the accompanying financial statements for the refund of grant monies.

Commitments

At December 31, 2024, the District had outstanding contractual commitments approximating \$14.1 million for the completion of several construction projects.

Note 13. Post-Employment Benefits Other Than Pension

Plan Description

In addition to the pension benefits described in *Note 10*, the District maintains a policy whereby an employee who qualifies under the South Carolina Retirement System's Regular Service retirement and who has met years of service requirements with the District will have the opportunity to participate in the District's single employer defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as the "Health OPEB" offers retired employees' to elect post-retirement coverage in the employee group health insurance plan (including dental). The Health OPEB assumed the District's policy premium rates will be \$1,114.06 for the retiree, \$2,228.58 for the retiree and spouse, \$2,098.84 for the retiree and child(ren), and \$3,159.56 for the retiree's family for the year ended December 31, 2024. The retiree pays a percentage of the premium based upon years of service.

The Health OPEB covers the retired employee and the spouse until the earlier of (1) either the spouse or the retiree attain Medicare eligibility, (2) the retired employee death or (3) the retired employee declines coverage. The District (through the Authority) currently administers the Health OPEB and maintains the authority for establishing benefits and funding policy. The Health OPEB does not issue separate stand-alone financial statements and is not included in the financial statements of another entity.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other Than Pension (continued)

Funding Policy

The District’s contributions are financed on a pay-as-you-go basis and therefore, no trust fund has been established which would maintain plan assets. Total contributions by the District for the Health OPEB measurement years ended December 31, 2024 was \$378,370.

Expected Future Cash Flows are highlighted as follows:

Fiscal Year Ended <u>December 31,</u>	Projected Benefit <u>Payments</u>
2025	\$ 293,789
2026	341,831
2027	398,844
2028	347,745
2029	336,186
2030	<u>356,025</u>
Total	<u><u>\$ 2,074,420</u></u>

The projection of future cash flows is based on a closed group valuation. It does not take into account the impact of future new hires. It also includes the Implicit Rate Subsidy.

Employees Covered by Benefit Terms

At December 31, 2023, the District had ten (10) retired employees and six (6) spouses, or beneficiaries covered by the Health OPEB. There were no inactive employees at December 31, 2023. At the valuation date of December 31, 2023, the following employees were covered by the benefit terms:

	<u># Participants</u>
Inactive employees, spouses or beneficiaries currently receiving benefit payments	16
Inactive employees, spouses or beneficiaries entitled to but not yet receiving benefit payments	-
Active employees	<u>66</u>
Total participants	<u><u>82</u></u>

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other than Pension (continued)

Total OPEB Liability

At December 31, 2024, the District's total OPEB liability of \$5,799,857 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2022. Because plan-specific information on annual salary increases was not available, merit salary scale assumptions were made consistent with the assumption used in the July 1, 2020, valuations of the South Carolina Retirement System (SCRS and PORS). In addition, the assumed rates of retirement, mortality, withdrawal and disability were based on the assumptions used for the South Carolina Retirement System (SCRS and PORS).

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation, measured as of December 31, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost method	Entry Age Normal
Inflation	2.30%
Total GDP Growth Rate	1.50%
Projected salary increases	For SCRS employees: 3.0% plus a merit component ranging from 4.0% to 0.0% based on years of service. For PORS employees, 3.0%, plus a merit component ranging from 6.0% to 0.0% based on years of service
Discount rate	3.26% Based on Bond Buyer General Obligation 20 year – Bond Municipal Index
Health care trend – medical	Decreasing to 6.4% in 2024 then declining to 3.7% over 49 years – Getzen Trend model
Retiree contribution	Same as Health Care trend: 25 years of service – 20%; 20 years of service – 50%; 15 years or less 100%
Investment rate of return	Not applicable
Mortality, morbidity (disability), retirement, and withdrawal rates	Based on assumptions used in the South Carolina Retirement System (SCRS and PORS) July 1, 2020 actuarial valuations.
Election at retirement	25 years of service – 85%; 20 years of service – 60%; 15 years of service – 30%, 50% of active employees elect spousal coverage at retirement

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other than Pension (continued)

Actuarial Assumptions and Other Inputs (continued)

The District does not have a dedicated Trust to pay retiree healthcare benefits.

Projections of benefits are based on the substantive program (the Health OPEB as understood by the District and participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the participants to that point. Assumptions may be made about participant data or other factors. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in total other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

Changes in actuarial assumptions and methods since December 31, 2022 actuarial valuation: For the December 31, 2023 measurement date, the amortization was changed to a discount rate of 3.26% to comply with GASB Statement No. 75. Age-specific costs have been updated to estimate the true underlying cost of coverage for pre-65 retirees. The healthcare trend assumption for medical benefits has been changed from 8.00% in 2019, 5.20% in 2020, then grading to an ultimate rate of 3.90% in 2084 to 14.90% in 2023, 6.40% in 2024, then grading to an ultimate rate of 3.70% in 2073. These trend rates are consistent with information from the Getzen Trend Model, Milliman’s *Health Cost Guidelines*. As required by GASB 75, the actuarial cost method has been changed from projected unit credit to entry age normal (level percentage of pay). The assumptions for rates of withdrawal, disability, retirement, and preretirement mortality have been updated to be consistent with those used in the actuarial valuations of the South Carolina Retirement System as of July 1, 2020. The postretirement mortality assumption has been updated.

Changes in the Total OPEB Liability

The changes in the District’s Total OPEB Liability for the current year and the related information for the program are as follows:

Total other post-employment benefit (OPEB)		
obligation - beginning of year	\$	5,624,587
Service Cost		162,477
Interest on total OPEB liability		207,949
Effect of assumptions changes or inputs		202,556
Benefit payments		(397,712)
Net Changes		175,270
Net other post employment benefit (OPEB)		
obligation - end of year	\$	5,799,857

There were no changes of benefit terms during the period.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other than Pension (continued)

OPEB Expense

For the measurement year ended December 31, 2024, the District recognized OPEB expense of \$699,959 as follows:

Service cost	\$	162,477
Interest on OPEB liability		207,949
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses		263,045
Recognition of assumption changes or inputs		66,488
 Total OPEB expense	 \$	 <u>699,959</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,290,616	\$ -
Changes of assumptions	767,862	(605,735)
Employer contributions	378,370	-
 Total	 \$ 2,436,848	 \$ (605,735)
 Net Deferrals excluding employer contributions	 \$ 1,452,743	

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other than Pension (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Deferred outflows related to OPEB of \$378,370 result from District contributions subsequent to the measurement date, which will be recognized as a reduction of the Total OPEB liability in the fiscal year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year Ending December 31,		
2025	\$	329,533
2026		328,144
2027		268,924
2028		243,795
2029		159,256
Thereafter		<u>123,091</u>
Future OPEB expense from deferred outflows and inflows	\$	<u><u>1,452,743</u></u>

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents District's Total OPEB Liability calculated using the discount rate of 3.26%, as well as what District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (2.26%) or one percentage point higher (4.26%) than the current discount rate:

District's Total OPEB Liability sensitivity			
to changes in the discount rate			
	1% Decrease	Valuation Rate	1% Increase
	2.26%	3.26%	4.26%
Total OPEB Liability	\$ 6,267,746	\$ 5,799,857	\$ 5,369,601

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 13. Post-Employment Benefits Other than Pension (continued)

Sensitivity Analysis (continued)

Sensitivity of the total OPEB liability to changes in the health care trend rates. The following presents the District's Total OPEB Liability calculated using the health care trend rate of 6.4% decreasing to 3.7%, as well as what the District's Total OPEB Liability would be if it were calculated using a health care trend rate that is one percentage point lower (5.4% decreasing to 2.7%) or one percentage point higher (7.4% decreasing to 4.7%) than the current discount rate:

District's Health Care Trend sensitivity to changes in the discount rate		
1% Decrease (5.4 - 2.7%)	Valuation Rate (6.4 - 3.7%)	1% Increase (7.4 - 4.7%)
Total OPEB Liability	<u>\$ 5,216,014</u>	<u>\$ 5,799,857</u>
	<u>\$ 6,483,039</u>	

The District's total other post-employment benefit (OPEB) liability was \$5,799,857 and \$5,624,587, for the fiscal years 2024 and 2023, respectively.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the other post-employment benefit (OPEB) and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of other post-employment benefit (OPEB) assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 14. Risk Management

The District is a participant in the Insurance Reserve Fund of South Carolina which is an office of the State Fiscal Accountability Authority. The State Fiscal Accountability Authority is authorized and required to provide insurance to governmental entities by state statute. The Insurance Reserve Fund is a self-insurance pool. The District participates in the Insurance Reserve Fund for business interruption; automobile comp, collision, and liability; data processing; buildings and personal property; inland marine; professional liability and general tort liability policies. The limit of the tort insurance is \$1,000,000 per occurrence while the limits for casualty insurance vary depending on the value of the property.

The District's workers' compensation insurance is provided through the South Carolina State Accident Fund. The State Accident Fund is a separate agency of the state of South Carolina which provides workers' compensation insurance for state agencies, other government entities, and if required by the legislature, small businesses in the private sector.

Commercial General Liability insurance is provided for the District through Global Aerospace. This policy covers catastrophic air-side incidents. The policy is currently under a three-year renewal and is managed by Hope Aviation.

The District holds a Public Officials and Employment Practices liability policy through the Stratford Insurance Company. This policy is for the protection of the District from any wrongful act during the performance of duties for the District. This policy is managed by Russell-Massey and Company.

The District has an Employee Dishonesty Bond through Travelers Casualty and Surety Company of America protecting the District against employee theft and fraud. This policy is managed by Russell-Massey and Company. The District holds a Cyber Liability policy through Travelers Casualty and Surety Company of America that is managed by Russell-Massey and Company. This policy protects the District against computer fraud and breach.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 15. Major Customers and Economic Conditions

The District derives a substantial portion of its revenue from the operation of parking facilities, charges to air carriers, fixed base operators, concessionaires, rental car companies, and. The revenues for the year ended December 31, 2024, are shown by function in the following table:

	2024		%
	Revenue		
Parking	\$ 9,621,895		37%
Air Carriers (Net)	8,721,345		33%
Rental Car Operations	3,463,266		13%
Other tenant and concessions	3,851,853		15%
Other operating revenue	583,380		2%
Net operating revenue	\$ 26,241,739		100%

The Signatory Airline Use Agreements were effective January 1, 2014, and are discussed in *Note 5*.

At December 31, 2024, Signatory Airlines consisted of Delta Air Lines, American Airlines, United Airlines Inc., United Parcel Service Co., and Federal Express Corporation.

For the year ended December 31, 2024, air carrier revenue, which includes landing fees, leased sites and terminal rental are concentrated among several carriers as follows:

	2024		%
	Revenue		
American Airlines	\$ 3,535,724		40%
Delta Airlines	2,613,971		30%
United Parcel Service	758,582		9%
United Airlines	1,039,996		12%
Federal Express	495,802		6%
All Other Carriers	277,270		3%
Total air carriers	\$ 8,721,345		100%

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Note 16. Subsequent Events

The District's management has evaluated events and transactions occurring subsequent to the statement of net position date of December 31, 2024, for items that should potentially be recognized or disclosed in these financial statements.

The District began using LAZ Parking Management for parking management services effective March 1, 2025.

Allegiant Airlines began service on May 15, 2025 with service to Orlando (Sanford) and Ft. Lauderdale, Florida. Spirit Airlines began service on June 5, 2025 with service to Orlando (MCO) and Ft. Lauderdale, Florida, and Newark, New Jersey. Spirit Aviation Holdings filed a voluntary petition for relief under Chapter 11 of the United States Code on August 29, 2025 and ceased all service at Columbia Metropolitan Airport on October 4, 2025. The District filed a proof of claim for staffing services provided for ground handling, ticket counter, and gate management.

Christopher White became the new President/CEO of the District effective January 5, 2026.

The evaluation was conducted through February 6, 2026, the date these financials statements were available to be issued, and other than noted above, there were no subsequent events that required disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.026857%	0.027268%	0.026370%	0.026606%	0.026619%	0.025515%	0.023743%	0.024722%	0.024639%	0.025159%
District's proportionate share of the net pension liability	\$ 6,298,065	\$ 6,592,623	\$ 6,392,672	\$ 5,757,936	\$ 6,801,690	\$ 5,826,122	\$ 5,320,029	\$ 5,565,320	\$ 5,262,854	\$ 4,771,526
District's covered-employee payroll	\$ 3,776,848	\$ 3,598,633	\$ 3,293,248	\$ 2,966,356	\$ 3,084,956	\$ 2,872,339	\$ 2,509,420	\$ 2,492,197	\$ 2,370,974	\$ 2,296,106
District's proportion of the net pension liability as a percentage of its covered-employee payroll	166.8%	183.2%	194.1%	194.1%	220.5%	202.8%	212.0%	223.3%	222.0%	207.8%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	53.3%	52.9%	57.0%	59.9%

* The amounts presented for each fiscal year determined as of measurement period that occurred within the calendar year.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 700,983	\$ 644,831	\$ 519,993	\$ 472,406	\$ 475,392	\$ 429,893	\$ 324,843	\$ 312,454	\$ 264,773	\$ 248,807
Contributions in relation to the contractually required contribution	\$ 700,983	\$ 644,831	\$ 519,993	\$ 472,406	\$ 475,392	\$ 429,893	\$ 324,843	\$ 312,454	\$ 264,773	\$ 248,807
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,776,848	\$ 3,598,633	\$ 3,293,248	\$ 2,966,356	\$ 3,084,956	\$ 2,872,339	\$ 2,509,420	\$ 2,492,197	\$ 2,370,974	\$ 2,296,106
Contributions as a percentage of covered-employee wages	18.6%	17.9%	15.8%	15.9%	15.4%	15.0%	12.9%	12.5%	11.2%	10.8%

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.074202%	0.077168%	0.074522%	0.078704%	0.083040%	0.080881%	0.080753%	0.080660%	0.089004%	0.091620%
District's proportionate share of the net pension liability	\$ 2,225,911	\$ 2,349,073	\$ 2,234,907	\$ 2,024,995	\$ 2,753,795	\$ 2,317,988	\$ 2,288,181	\$ 2,209,785	\$ 2,257,564	\$ 1,996,855
District's covered-employee payroll	\$ 1,505,231	\$ 1,412,738	\$ 1,271,565	\$ 1,157,472	\$ 1,250,360	\$ 1,242,766	\$ 1,157,090	\$ 1,081,751	\$ 1,126,724	\$ 1,129,465
District's proportion of the net pension liability as a percentage of its covered-employee payroll	147.9%	166.3%	175.8%	174.9%	220.2%	186.5%	197.8%	204.3%	200.4%	176.8%
Plan fiduciary net position as a percentage of the total pension liability	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	60.9%	60.4%	64.6%	67.5%

* The amounts presented for each fiscal year determined as of measurement period that occurred within the calendar year.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 319,711	\$ 287,391	\$ 226,914	\$ 212,327	\$ 223,064	\$ 215,686	\$ 177,291	\$ 163,062	\$ 153,201	\$ 148,936
Contributions in relation to the contractually required contribution	\$ 319,711	\$ 287,391	\$ 226,914	\$ 212,327	\$ 223,064	\$ 215,686	\$ 177,291	\$ 163,062	\$ 153,201	\$ 148,936
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,505,231	\$ 1,412,738	\$ 1,271,565	\$ 1,157,472	\$ 1,250,360	\$ 1,242,766	\$ 1,157,090	\$ 1,081,751	\$ 1,126,724	\$ 1,129,465
Contributions as a percentage of covered-employee wages	21.2%	20.3%	17.8%	18.3%	17.8%	17.4%	15.3%	15.1%	13.6%	13.2%

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS*(1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 162,477	\$ 210,699	\$ 166,418	\$ 134,929	\$ 89,282	\$ 100,345	\$ 83,209	N/A	N/A	N/A
Interest on total OPEB liability	207,949	105,842	116,148	103,961	134,526	106,477	108,081	N/A	N/A	N/A
Effect of changes in benefit terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Effect of differences between expected and actual experience	-	988,668	-	808,062	-	-	-	N/A	N/A	N/A
Effect of changes of assumptions or other inputs	202,556	(447,452)	(344,003)	857,022	432,896	203,004	16,422	N/A	N/A	N/A
Contributions - employer	-	-	-	-	-	-	-	N/A	N/A	N/A
Contributions - active & inactive employees	-	-	-	-	-	-	-	N/A	N/A	N/A
Net investment income	-	-	-	-	-	-	-	N/A	N/A	N/A
Benefit payments (2)	(397,712)	(319,220)	(327,823)	(174,679)	(202,975)	(223,002)	(212,293)	N/A	N/A	N/A
Other changes	-	-	-	-	-	-	-	N/A	N/A	N/A
Net changes in total OPEB liability	175,270	538,537	(389,260)	1,729,295	453,729	186,824	(4,581)	N/A	N/A	N/A
Total OPEB liability - beginning	5,624,587	5,086,050	5,475,310	3,746,015	3,292,286	3,105,462	3,110,043	N/A	N/A	N/A
Total OPEB liability - ending	\$ 5,799,857	\$ 5,624,587	\$ 5,086,050	\$ 5,475,310	\$ 3,746,015	\$ 3,292,286	\$ 3,105,462	\$ 3,110,043	N/A	N/A
Covered-employee payroll (3)	\$ 4,573,480	\$ 4,573,480	\$ 3,899,717	\$ 3,899,717	\$ 3,672,726	\$ 3,493,986	\$ 3,493,986	\$ 3,483,071	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll	126.81%	122.98%	130.42%	140.40%	102.00%	94.23%	88.88%	N/A	N/A	N/A

(1) The District has elected to present information prospectively since prior year data is unavailable.

(2) Includes Implicit Rate Subsidy

(3) Valuations required by GASB 75 were not obtained for dates prior to December 31, 2017

N/A Not Available

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS
YEAR ENDED DECEMBER 31, 2024

Actuarial Valuation Date	Applicable GASB Statement	GASB 45 Actuarial Valuation of Assets (a)	GASB 75 Total OPEB Liability	GASB 45 Actuarial		Funded Ratio (a/b)	Covered Payroll (c)	GASB 45 UAAL as a percentage of Covered Payroll (b/c)
				Accrued Liability (AAL - Entry Age)(b)	GASB 45 Unfunded AAL (UAAL) (b-a)			
12/31/2022	75	N/A	\$ 5,799,857	N/A	N/A	0%	\$ 4,573,480	N/A
12/31/2022	75	N/A	\$ 5,624,587	N/A	N/A	0%	\$ 4,573,480	N/A
12/31/2020	75	N/A	\$ 5,086,050	N/A	N/A	0%	\$ 3,899,717	N/A
12/31/2020	75	N/A	\$ 5,475,310	N/A	N/A	0%	\$ 3,899,717	N/A
12/31/2020	75	N/A	\$ 3,746,015	N/A	N/A	0%	\$ 3,672,726	N/A
12/31/2018	75	N/A	\$ 3,292,286	N/A	N/A	0%	\$ 3,493,986	N/A
12/31/2017	75	N/A	\$ 3,105,462	N/A	N/A	0%	\$ 3,493,986	N/A
12/31/2016	75	N/A	\$ 3,110,043	N/A	N/A	0%	\$ 3,483,071	N/A
12/31/2015	45	-	N/A	\$ 3,168,500	\$ 3,168,500	0%	\$ 3,218,100	98.5%
12/31/2013	45	-	N/A	\$ 4,005,200	\$ 4,005,200	0%	\$ 3,329,100	120.3%
12/31/2011	45	-	N/A	\$ 3,365,800	\$ 3,365,800	0%	\$ 3,874,969	86.9%
12/31/2009	45	-	N/A	\$ 2,407,100	\$ 2,407,100	0%	\$ 5,295,300	45.5%

Actuarial valuations for fiscal years prior to 12/31/2018 used the GASB 45 actuarial requirements and were obtained triennially. Effective with the 12/31/2016 actuarial valuation, the District obtained actuarial valuations in accordance with GASB 75.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO SCHEDULE OF CHANGES IN DISTRICT 'S NET PENSION LIABILITIES,
TOTAL OPEB LIABILITY AND RELATED CONTRIBUTIONS AND RATIOS

DECEMBER 31, 2024

A. Pensions

Changes of benefit terms: None

Changes to assumptions: The assumed investment return was changed from 7.25% to 7.00% effective July 1, 2021.

B. Other Post-employment Benefit Liability

Changes of assumptions:

Actuarial cost method – As required by GASB Statement #75, the actuarial cost method has been changed from projected unit credit to entry age normal (level percentage of pay).

Post-retirement mortality – updated.

Discount rate – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Changes to comply with GASB #75

2023	3.26%
2022	3.72%
2021	2.12%
2020	2.74%
2019	4.10%
2018	3.44%
2017	3.50%
2016	N/A
2015	N/A
2014	N/A

The healthcare trend assumption for medical benefits has been changed from 8.00% in 2019, 5.20% in 2020, then grading to an ultimate rate of 3.90% in 2084 to 14.90% in 2023, 6.40% in 2024, then grading to an ultimate rate of 3.70% in 2073. These trend rates are consistent with information from the Getzen Trend Model, Milliman's *Health Cost Guidelines*, and actuarial judgement.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

NOTES TO SCHEDULE OF CHANGES IN DISTRICT 'S NET PENSION LIABILITIES,
TOTAL OPEB LIABILITY AND RELATED CONTRIBUTIONS AND RATIOS

DECEMBER 31, 2024

B. Other Post-employment Benefit Liability (continued)

Changes of assumptions: (continued)

Cost assumptions – Age-specific costs have been updated to estimate the true underlying cost of coverage for pre-65 retirees.

Withdrawal, morbidity (disability), retirement and preretirement mortality – The assumptions for rates of withdrawal, disability, retirement, and preretirement mortality have been updated to be consistent with those used in the actuarial valuations of the South Carolina Retirement System as of July 1, 2020. The postretirement mortality assumption has been updated.

SUPPLEMENTARY FINANCIAL INFORMATION

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF OPERATING REVENUES

YEAR ENDED DECEMBER 31, 2024

(With comparative amounts year ended December 31, 2023)

	2024	2023
Airfield Landing Fees		
United Parcel Service	\$ 569,357	\$ 621,977
Delta Airlines	621,339	555,464
United Airlines	197,186	188,792
Federal Express	174,972	183,663
American	917,514	888,345
Mountain Air Cargo	57,674	59,551
Martinaire	-	7,560
Air Cargo Carriers	15,413	39,757
Total airfield landing fees	2,553,455	2,545,109
Leased Sites		
City Connect	20,575	20,985
Eagle Aviation	511,732	487,296
Columbia Aviation	124,347	105,351
United Parcel Service	99,720	107,630
FAA Summer Lake	297,230	297,210
Weather Bureau	84,709	84,709
Federal Express Cargo	262,331	207,336
S.C. Department of Commerce - Division of Aeronautics	69,917	69,916
Parking (Public and Premier)	9,621,893	7,805,112
Outdoor Advertising	4,400	5,500
Kennedy Campus	20,487	20,487
West Cargo	39,500	101,375
Delta Global Systems	17,056	17,202
Kingston Metal	28,513	28,513
Lexington County School District 2	16,988	16,655

-CONTINUED-

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF OPERATING REVENUES

-CONTINUED-

	2024	2023
Leased Sites (continued)		
FTZ fees	\$ 6,396	\$ 23,500
Doolittle Hangar	204,182	225,787
Celebrate Freedom Foundation	9,236	9,236
Jetstar Aviation	16,284	16,284
Avis	26,748	26,748
Hertz	42,716	42,716
National	54,694	54,694
Thrifty	13,573	13,573
S.C. Air National Guard	-	155,230
CAE Park Assessments	191,461	117,225
Airport Commerce Center	917,839	761,497
Total leased sites	12,702,527	10,821,767
 Terminal Rents and Commissions		
Delta Airlines	1,684,204	1,430,312
American Airlines	2,229,860	1,722,116
United Airlines	717,982	586,252
TSA	100,228	129,114
Unify	2,117	-
Food concession	495,015	322,049
Retail concession	283,776	415,920
TNC, taxi and limousine service	335,259	267,927
ATM rental	3,581	4,094
Display advertising	217,602	165,333
Miscellaneous concessions and office space	1,208	400
Avis	409,067	379,118
Hertz	341,868	318,707
National	1,153,360	1,014,413
Budget	99,131	103,030
Thrifty / Dollar	243,055	231,313
Enterprise	1,079,056	1,006,249
Tenant phone service	9,676	9,702
Total terminal rents and commissions	9,406,045	8,106,049

-CONTINUED-

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF OPERATING REVENUES

-CONTINUED-

	<u>2024</u>	<u>2023</u>
Other		
Fines	\$ 3,332	\$ 4,373
Insurance and miscellaneous reimbursements	229,135	420,586
Miscellaneous	74,255	179,700
Solar farm credits	238,314	235,368
Online Store	59	207
Surplus equipment sales	38,285	69,437
Total other	<u>583,380</u>	<u>909,671</u>
Signatory Airline (rebate)	996,332	(168,464)
Total net operating revenues	<u>\$ 26,241,739</u>	<u>\$ 22,214,132</u>

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2024

(With comparative amounts year ended December 31, 2023)

	2024	2023
Salaries and Employee Benefits		
Salaries	\$ 5,365,608	\$ 5,232,516
Overtime	289,765	242,497
Payroll taxes	407,470	388,621
Retirement	1,061,371	1,199,660
Group insurance	2,319,622	1,670,789
Uniforms and other benefits	314,596	60,832
Total salaries and employee benefits	9,758,432	8,794,915
Supplies		
Office supplies	36,649	39,440
Cleaning supplies	108,555	120,200
Fire fighting and first aid supplies	31,489	39,513
Total supplies	176,693	199,153
Airport Operations		
Utilities	1,365,197	1,341,154
Repairs and maintenance	2,936,416	2,863,171
Airport Commerce Center	320,288	321,592
Parking management fee	1,005,994	760,985
Service contracts	1,350,751	936,243
Insurance	435,060	426,647
Fuel	70,989	70,341
Miscellaneous	6,280	11,943
Total airport operations	7,490,975	6,732,076
Travel and Education		
Dues and subscriptions	60,251	87,576
Training	191,508	180,344
Travel and Education	211,351	255,045
Total travel and education	463,110	522,965

-CONTINUED-

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF OPERATING EXPENSES

-CONTINUED-

	<u>2024</u>	<u>2023</u>
Outside Professional Services		
Legal and other professional fees	\$ 562,291	\$ 202,150
Consulting	143,984	258,526
Outside printing	4,847	4,951
Total outside professional services	<u>711,122</u>	<u>465,627</u>
 Marketing		
Marketing and public relations	202,511	144,155
Advertising	678,998	645,402
Postage and mailing	4,363	6,239
Total marketing	<u>885,872</u>	<u>795,796</u>
 Depreciation	<u>12,824,996</u>	<u>12,581,288</u>
Total operating expenses	<u>\$ 32,311,200</u>	<u>\$ 30,091,820</u>

VICTIM'S RIGHTS ASSISTANCE

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
VICTIM'S RIGHTS ASSISTANCE
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED DECEMBER 31, 2024

Court Fines and Assessments

Court fines and assessments collected	\$ 1,500
Court fines and assessments retained by Lexington County	<u>(1,133)</u>
Total court fines and assessments retained	<u><u>\$ 367</u></u>

Funds Allocated to Victim's Services

Carryover funds from prior year	\$ -
Court fines and assessments collected	44
Retained by Lexington County	<u>(44)</u>
Total unexpended victim's rights assistance funds	<u><u>\$ -</u></u>

STATISTICAL SECTION

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
NET POSITION BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net invested in capital assets	\$ 133,267,498	\$ 119,920,526	\$ 118,013,264	\$ 116,784,408	\$ 117,060,037	\$ 114,568,678	\$ 112,211,009	\$ 108,482,680	\$ 101,187,940	\$ 94,229,761
Restricted for:										
Capital projects	9,963,600	1,293,179	2,729,549	1,831,923	374,135	642,687	642,193	1,906,043	986,749	210,192
Debt service	3,414,970	15,285,880	7,530,981	5,849,269	6,869,023	9,228,909	9,019,578	7,538,739	9,748,244	4,771,920
Pensions	514,102	489,262	427,860	364,241	356,593	341,911	287,073	254,830	219,352	819,852
Other post-employment benefits	378,370	397,712	319,220	327,823	174,679	202,975	223,002	212,293	-	-
Other purposes	11,023,722	8,312,039	5,214,980	3,457,348	2,539,806	2,245,256	1,395,570	696,478	991,600	3,005,075
Unrestricted	8,381,855	11,189,493	10,868,898	10,149,478	5,093,421	3,470,007	4,374,222	3,693,106	5,192,607	5,732,000
Total net position	\$ 166,944,117	\$ 156,888,091	\$ 145,104,752	\$ 138,764,490	\$ 132,467,694	\$ 130,700,423	\$ 128,152,647	\$ 122,784,169	\$ 118,326,492	\$ 108,768,800

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75. GASB 75 was implemented for fiscal year 2017 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenue										
Airfield landing fees	\$ 2,553,455	\$ 2,545,109	\$ 2,479,511	\$ 2,336,920	\$ 1,985,922	\$ 3,760,294	\$ 3,461,453	\$ 3,095,425	\$ 3,058,465	\$ 3,023,126
Leased sites	12,702,527	10,821,767	9,981,747	6,332,620	4,960,332	8,828,242	8,058,954	7,547,572	8,292,628	8,149,427
Terminal rents and commissions	9,406,045	8,106,049	6,959,829	6,244,063	5,251,187	7,590,074	6,931,146	6,379,122	6,437,252	6,286,408
Other	583,380	909,671	408,744	383,363	377,100	426,688	502,890	302,141	155,866	173,725
Total operating revenue before Signatory Airline rebate	25,245,407	22,382,596	19,829,831	15,296,966	12,574,541	20,605,298	18,954,443	17,324,260	17,944,211	17,632,686
Signatory Airline surcharge (rebate)	996,332	(168,464)	(819,256)	(2,339,274)	4,684,880	(1,526,350)	-	33,762	(17,180)	(16,582)
Net operating revenue	26,241,739	22,214,132	19,010,575	12,957,692	17,259,421	19,078,948	18,954,443	17,358,022	17,927,031	17,616,104
Operating Expenses										
Salaries and employee benefits	9,758,432	8,794,915	7,986,684	7,329,174	8,197,607	7,226,028	5,939,352	5,945,931	5,689,811	5,529,378
Supplies	176,693	199,153	128,677	102,632	89,202	97,631	99,399	109,402	108,891	88,262
Airport operations	7,490,975	6,732,076	4,996,937	3,961,437	4,065,600	4,277,589	4,376,636	4,393,485	4,100,578	4,463,873
Travel and education	463,110	522,965	369,972	232,524	161,790	407,143	486,025	369,980	350,968	283,126
Outside professional services	711,122	465,627	305,138	387,711	256,940	501,575	309,472	231,222	215,244	181,611
Marketing	885,872	795,796	582,781	505,228	554,453	698,853	739,665	678,548	645,927	541,328
Bad debt expense	-	-	-	2,000	724	-	-	-	-	-
Depreciation	12,824,996	12,581,288	11,327,312	11,519,111	11,281,294	11,374,727	11,411,712	10,896,977	10,357,465	9,629,268
Total operating expenses	32,311,200	30,091,820	25,697,501	24,039,817	24,607,610	24,583,546	23,362,261	22,625,545	21,468,884	20,716,846
Loss from operations	\$ (6,069,461)	\$ (7,877,688)	\$ (6,686,926)	\$ (11,082,125)	\$ (7,348,189)	\$ (5,504,598)	\$ (4,407,818)	\$ (5,267,523)	\$ (3,541,853)	\$ (3,100,742)

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

-CONTINUED-

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Non-operating Revenues (Expense)										
Passenger Facility Charges (PFC's)	\$ 2,613,043	\$ 2,363,815	\$ 2,056,394	\$ 1,607,462	\$ 1,410,341	\$ 2,628,083	\$ 2,284,929	\$ 2,068,248	\$ 2,266,345	\$ 2,166,112
Contract Facility Charges (CFC's)	3,334,272	2,901,840	2,461,014	2,275,248	2,122,008	3,337,448	3,104,430	2,989,103	3,258,051	2,810,362
Interest income on accounts and leases	1,749,637	1,716,261	833,911	29,648	115,348	323,185	264,835	119,796	91,366	63,592
Interest expense	(543,325)	(887,861)	(936,578)	(967,270)	(1,048,314)	(1,209,702)	(1,333,032)	(1,451,144)	(1,680,899)	(1,852,170)
Bond issuance costs	-	-	-	(209,066)	-	-	-	-	-	(153,381)
Gain on sale of assets, net and other	127,330	5,000	1,247,857	1,144,252	97,677	64,785	214,082	475,500	(353,900)	580,873
Federal grants and assistance (non-capital)	61,440	7,454,776	4,070,239	8,126,078	947,636	135,947	97,280	165,600	86,907	126,533
Net non-operating revenue	7,342,397	13,553,831	9,732,837	12,006,352	3,644,696	5,279,746	4,632,524	4,367,103	3,667,870	3,741,921
Income from operations and net non-operating revenue before capital contributions	1,272,936	5,676,143	3,045,911	924,227	(3,703,493)	(224,852)	224,706	(900,420)	126,017	641,179
Capital Contributions										
Federal grants	5,576,641	5,502,764	3,263,129	5,370,069	5,368,873	2,770,415	5,135,752	6,570,478	9,407,091	7,900,853
Other capital grants	3,206,449	604,432	31,222	2,500	101,891	2,213	8,020	40,444	24,584	36,084
Total capital contributions	8,783,090	6,107,196	3,294,351	5,372,569	5,470,764	2,772,628	5,143,772	6,610,922	9,431,675	7,936,937
Net change in net position	10,056,026	11,783,339	6,340,262	6,296,796	1,767,271	2,547,776	5,368,478	5,710,502	9,557,692	8,578,116
Net position, beginning of year	156,888,091	145,104,752	138,764,490	132,467,694	130,700,423	128,152,647	122,784,169	118,326,492	108,768,800	100,190,684
Cumulative effect of restatements	-	-	-	-	-	-	-	(1,252,825)	-	-
Net position, end of year	\$ 166,944,117	\$ 156,888,091	\$ 145,104,752	\$ 138,764,490	\$ 132,467,694	\$ 130,700,423	\$ 128,152,647	\$ 122,784,169	\$ 118,326,492	\$ 108,768,800

Note: GASB 87 was implemented for fiscal year 2022 and later.

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75. GASB 75 was implemented for fiscal year 2017 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

REVENUE BY SOURCE

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenue										
Airfield landing fees	\$ 2,553,455	\$ 2,545,109	\$ 2,479,511	\$ 2,336,920	\$ 1,985,922	\$ 3,760,294	\$ 3,461,453	\$ 3,095,425	\$ 3,058,465	\$ 3,023,126
Leased sites	12,702,527	10,821,767	9,981,747	6,332,620	4,960,332	8,828,242	8,058,954	7,547,572	8,292,628	8,149,427
Terminal rents and commissions	9,406,045	8,106,049	6,959,829	6,244,063	5,251,187	7,590,074	6,931,146	6,379,122	6,437,252	6,286,408
Other	583,380	909,671	408,744	383,363	377,100	426,688	502,890	302,141	155,866	173,725
Signatory Airline surcharge (rebate)	996,332	(168,464)	(819,256)	(2,339,274)	4,684,880	(1,526,350)	-	33,762	(17,180)	(16,582)
Net operating revenue	26,241,739	22,214,132	19,010,575	12,957,692	17,259,421	19,078,948	18,954,443	17,358,022	17,927,031	17,616,104
Non-Operating Revenue										
Passenger Facility Charges (PFC's)	2,613,043	2,363,815	2,056,394	1,607,462	1,410,341	2,628,083	2,284,929	2,068,248	2,266,345	2,166,112
Contract Facility Charges (CFC's)	3,334,272	2,901,840	2,461,014	2,275,248	2,122,008	3,337,448	3,104,430	2,989,103	3,258,051	2,810,362
Investment income	1,749,637	1,716,261	833,911	29,648	115,348	323,185	264,835	119,796	91,366	63,592
Gain on sale of assets, net and other	127,330	5,000	1,247,857	1,144,252	97,677	64,785	214,082	475,500	-	580,873
Federal grants	61,440	7,454,776	4,070,239	8,126,078	947,636	135,947	97,280	165,600	86,907	126,533
Capital contributions	8,783,090	6,107,196	3,294,351	5,372,569	5,470,764	2,772,628	5,143,772	6,610,922	9,431,675	7,936,937
Total revenue	\$ 42,910,551	\$ 42,763,020	\$ 32,974,341	\$ 31,512,949	\$ 27,423,195	\$ 28,341,024	\$ 30,063,771	\$ 29,787,191	\$ 33,061,375	\$ 31,300,513

Note: GASB 87 was implemented for fiscal year 2022 and later.

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75. GASB 75 was implemented for fiscal year 2017 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

EXPENSES BY TYPE

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Expenses										
Salaries and employee benefits	\$ 9,758,432	\$ 8,794,915	\$ 7,986,684	\$ 7,329,174	\$ 8,197,607	\$ 7,226,028	\$ 5,939,352	\$ 5,945,931	\$ 5,689,811	\$ 5,529,378
Supplies	176,693	199,153	128,677	102,632	89,202	97,631	99,399	109,402	108,891	88,262
Airport operations	7,490,975	6,732,076	4,996,937	3,961,437	4,065,600	4,277,589	4,376,636	4,393,485	4,100,578	4,463,873
Travel and education	463,110	522,965	369,972	232,524	161,790	407,143	486,025	369,980	350,968	283,126
Outside professional services	711,122	465,627	305,138	387,711	256,940	501,575	309,472	231,222	215,244	181,611
Marketing	885,872	795,796	582,781	505,228	554,453	698,853	739,665	678,548	645,927	541,328
Bad debt expense	-	-	-	2,000	724	-	-	-	-	-
Depreciation	12,824,996	12,581,288	11,327,312	11,519,111	11,281,294	11,374,727	11,411,712	10,896,977	10,357,465	9,629,268
Total operating expenses	32,311,200	30,091,820	25,697,501	24,039,817	24,607,610	24,583,546	23,362,261	22,625,545	21,468,884	20,716,846
Non-operating Expenses										
Interest expense	543,325	887,861	936,578	967,270	1,048,314	1,209,702	1,333,032	1,451,144	1,680,899	1,852,170
Bond issuance costs	-	-	-	209,066	-	-	-	-	-	153,381
Loss on sale of capital assets	-	-	-	-	-	-	-	-	353,900	-
Total non-operating expenses	543,325	887,861	936,578	1,176,336	1,048,314	1,209,702	1,333,032	1,451,144	2,034,799	2,005,551
Total expenses by type	\$ 32,854,525	\$ 30,979,681	\$ 26,634,079	\$ 25,216,153	\$ 25,655,924	\$ 25,793,248	\$ 24,695,293	\$ 24,076,689	\$ 23,503,683	\$ 22,722,397

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75. GASB 75 was implemented for fiscal year 2017 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
PASSENGER ENPLANEMENTS BY AIRLINE
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Delta & Affiliates:										
Delta Airlines	245,316	224,851	218,647	157,341	100,487	270,807	257,131	228,559	190,636	125,841
Atlantic Southeast	-	-	-	-	-	-	-	-	47,604	111,371
Chautauqua	-	-	-	-	-	-	-	-	-	461
Shuttle America	-	-	-	-	-	-	-	-	1,258	-
Pinnacle	-	-	-	-	-	-	-	-	96	117
Total Delta Affiliates	245,316	224,851	218,647	157,341	100,487	270,807	257,131	228,559	239,594	237,790
American & Affiliates:										
American Eagle	80,411	81,455	20,714	37,882	10,677	74,572	44,999	5,098	224,488	43,807
Piedmont	80,279	67,485	66,649	57,469	33,828	67,836	49,308	4,232	-	16,077
PSA	125,598	121,064	99,294	82,768	64,246	127,027	109,190	35,486	-	14,862
Air Wisconsin	39,588	25,256	-	-	-	-	4,446	129,700	-	140,909
Envoy	4,113	1,706	54,289	30,733	33,797	21,473	20,023	44,149	-	-
Trans States	-	-	-	-	-	984	11,687	7,687	-	-
Republic	17,008	12,239	14,769	12,631	1,988	17,667	13,407	297	-	456
Total American & Affiliates	346,997	309,205	255,715	221,483	144,536	309,559	253,060	226,649	224,488	216,111
US Airways & Affiliates:										
Piedmont	-	-	-	-	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	-
PSA	-	-	-	-	-	-	-	-	-	-
Air Wisconsin	-	-	-	-	-	-	-	-	-	-
Republic	-	-	-	-	-	-	-	-	-	-
Total US Airways & Affiliates	-	-	-	-	-	-	-	-	-	-
United Airlines & Affiliates	77,398	73,425	53,168	52,519	36,987	90,935	-	-	-	-
Express Jet	-	-	-	-	-	-	84,246	79,676	95,441	91,149
Total United Airlines & Affiliates	77,398	73,425	53,168	52,519	36,987	90,935	84,246	79,676	95,441	91,149
Continental Airlines & Affiliates										
Express Jet	-	-	-	-	-	-	-	-	-	-
Total Continental Airlines & Affiliates	-	-	-	-	-	-	-	-	-	-
Other Airlines										
Allegiant Air	-	-	-	-	-	-	-	-	-	-
Vision	-	-	-	-	-	-	-	-	-	-
FBO Charters	4,008	-	-	-	-	-	-	-	-	-
Swift	-	-	-	-	-	-	-	-	-	-
Silver Air	-	-	69	5,843	314	-	-	-	-	-
Via	-	-	-	-	-	113	52	-	-	-
Republic Airlines	-	-	-	-	-	-	-	-	-	1,335
Total passenger enplanements	673,719	607,481	527,599	437,186	282,324	671,414	594,489	534,884	559,523	546,385

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

AIRLINE REVENUE PER ENPLANED PASSENGER

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Airfield landing fees	\$ 2,553,455	\$ 2,479,511	\$ 2,479,511	\$ 2,336,920	\$ 1,985,922	\$ 3,760,294	\$ 3,461,453	\$ 3,095,425	\$ 3,058,465	\$ 3,023,126
Less: Cargo landing fees	(817,416)	(912,508)	(1,136,275)	(1,159,181)	(1,007,945)	(1,401,067)	(1,312,589)	(1,180,610)	(1,202,339)	(1,188,204)
Passenger airline landing	1,736,039	1,567,003	1,343,236	1,177,739	977,977	2,359,227	2,148,864	1,914,815	1,856,126	1,834,922
Terminal rentals	4,601,778	3,715,717	3,283,887	2,949,303	2,859,198	3,587,971	3,315,188	3,150,251	3,228,318	3,231,973
Signatory passenger airline surcharge / (rebate)	781,619	(196,675)	(793,673)	(2,163,012)	3,310,261	(1,201,409)	-	19,290	(6,772)	(8,987)
Total	\$ 7,119,436	\$ 5,086,045	\$ 3,833,450	\$ 1,964,030	\$ 7,147,436	\$ 4,745,789	\$ 5,464,052	\$ 5,084,356	\$ 5,077,672	\$ 5,057,908
Enplaned passengers	673,719	607,481	527,599	437,186	282,324	671,414	594,489	534,884	559,523	546,385
Airline revenue per enplaned passenger	\$ 10.57	\$ 8.37	\$ 7.27	\$ 4.49	\$ 25.32	\$ 7.07	\$ 9.19	\$ 9.51	\$ 9.08	\$ 9.26

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

CONCESSION REVENUES PER ENPLANED PASSENGER

LAST TEN FISCAL YEARS

Category	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Rental Car Counter Rentals and Concessions	\$ 3,405,785	\$ 3,133,082	\$ 2,832,644	\$ 2,565,294	\$ 1,684,388	\$ 2,761,105	\$ 2,555,431	\$ 2,231,507	\$ 2,235,736	\$ 2,160,353
Restaurant and Gift Shop	800,893	678,370	399,194	333,986	233,847	586,142	530,256	504,812	505,568	484,152
Other	310,170	290,312	166,481	101,358	101,294	238,358	184,009	137,396	103,810	70,725
Total	4,516,848	4,101,764	3,398,319	3,000,638	2,019,529	3,585,605	3,269,696	2,873,715	2,845,113	2,715,230
 Enplaned Passengers	 673,719	 607,481	 527,599	 437,186	 282,324	 671,414	 594,489	 534,884	 559,523	 546,385
 Concession Revenue per Enplaned Passenger	 \$ 6.70	 \$ 6.75	 \$ 6.44	 \$ 6.86	 \$ 7.15	 \$ 5.34	 \$ 5.50	 \$ 5.37	 \$ 5.08	 \$ 4.97

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

OPERATING EXPENSES (BEFORE DEPRECIATION) PER ENPLANED PASSENGER

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total operating expenses	\$ 32,311,200	\$ 30,091,820	\$ 25,697,501	\$ 24,039,817	\$ 24,607,610	\$ 24,583,546	\$ 23,362,261	\$ 22,625,545	\$ 21,468,884	\$ 20,716,846
Less, depreciation	(12,824,996)	(12,581,288)	(11,327,312)	(11,519,111)	(11,281,294)	(11,374,727)	(11,411,712)	(10,896,977)	(10,357,465)	(9,629,268)
Total operating expenses before depreciation	19,486,204	17,510,532	14,370,189	12,520,706	13,326,316	13,208,819	11,950,549	11,728,568	11,111,419	11,087,578
Enplaned passengers	673,719	607,481	527,599	437,186	282,324	671,414	594,489	534,884	559,523	546,385
Operating expense (before depreciation) per enplaned passengers	\$ 28.92	\$ 28.82	\$ 27.24	\$ 28.64	\$ 47.20	\$ 19.67	\$ 20.10	\$ 21.93	\$ 19.86	\$ 20.29

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75. GASB 75 was implemented for fiscal year 2017 and later.

Note: Certain amounts of the 2014 operating expenses have been restated upon implementation of GASB 68. GASB 68 was implemented for fiscal year 2014 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF DEBT SERVICE COVERAGE
PER INDENTURE OF TRUST

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Gross Revenues</u>	<u>Net Revenues</u>	<u>Other Available Funds</u>	<u>Series Security</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement</u>	<u>Coverage</u>
2024	\$ 41,888,985	\$ 4,799,698	\$ 1,000,000	\$ -	\$ 5,799,698	\$ 1,484,376	3.91
2023	41,996,523	11,876,273	1,000,000	1,208,918	14,085,191	4,244,867	3.32
2022	32,974,341	7,371,821	1,000,000	1,788,606	10,160,427	5,053,173	2.01
2021	29,535,103	8,402,899	1,000,000	1,607,462	11,010,361	4,837,589	2.28
2020	26,458,890	3,989,126	5,000,000	1,410,341	10,399,467	4,840,856	2.15
2019	27,632,592	6,038,198	1,000,000	1,810,436	8,848,634	4,894,623	1.81
2018	29,316,220	5,821,570	1,000,000	1,828,635	8,650,205	4,933,889	1.75
2017	28,753,392	4,487,036	1,000,000	1,859,751	7,346,787	4,976,997	1.48
2016	32,361,109	5,524,916	1,000,000	1,541,944	8,066,860	4,308,003	1.87
2015	30,086,736	4,474,644	1,000,000	2,166,112	7,640,756	4,757,186	1.61

Note: GASB 101 was implemented for fiscal years 2024 and later.

Note: GASB 87 was implemented for fiscal years 2022 and later.

Note: Certain amounts of the 2017 net position have been restated upon implementation of GASB 75.
GASB 75 was implemented for fiscal year 2017 and later.

Note: The District is required by debt covenants to maintain the sum of Net Revenues and Series Security of 125% of the Adjusted Debt Service Requirement for such fiscal year. The District has pledged future revenue net of specified operating expenses.

Note: Certain amounts of the 2014 net revenue have been restated upon implementation of GASB Statement No. 68, which was implemented for fiscal year 2014 and later.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
AIRLINE OPERATION DATA (LANDING & TAKEOFFS)
LAST TEN FISCAL YEARS

	2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share	Market	Share
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Passenger Airlines																				
Delta Air Lines & Affiliates																				
Delta Air Lines	2,793	22.95%	2,515	21.23%	2,494	21.59%	2,423	21.70%	2,071	21.80%	3,282	22.95%	2,975	22.64%	3,101	23.83%	2,278	18.21%	1,190	8.71%
Atlantic Southeast Airlines	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1,075	8.59%	2,280	16.68%
Chautauqua	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	14	0.10%
Shuttle America	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	27	0.22%	-	0.00%
Pinnacle	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1	0.01%	4	0.03%
Total Delta Air Lines	2,793	22.95%	2,515	21.23%	2,494	21.59%	2,423	21.70%	2,071	21.80%	3,282	22.95%	2,975	22.64%	3,101	23.83%	3,381	27.02%	3,488	25.52%
US Airways & Affiliates																				
Piedmont	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	419	3.07%
Chautauqua	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
PSA	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	394	2.88%
Mesa	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Air Wisconsin	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	3,263	23.87%
Republic	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	7	0.05%
Total US Airways	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	4,083	29.87%
United Airlines & Affiliates																				
Express Jet	1,508	12.39%	1,578	13.32%	1,316	11.39%	1,366	12.23%	1,360	14.32%	2,370	16.57%	2,229	16.96%	1,845	14.18%	2,095	16.75%	2,048	14.98%
Total United Airlines	1,508	12.39%	1,578	13.32%	1,316	11.39%	1,366	12.23%	1,360	14.32%	2,370	16.57%	2,229	16.96%	1,845	14.18%	2,095	16.75%	2,048	14.98%
American & Affiliates																				
Silver Airways	-	0.00%	-	0.00%	4	0.03%	219	1.96%	15	0.16%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Allegiant Air	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Republic Airlines	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	282	1.97%	-	0.00%	-	0.00%	-	0.00%	30	0.22%
Vision Air	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Swift Air	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Via Air	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10	0.07%	5	0.04%	-	0.00%	-	0.00%	-	0.00%
Subtotal	10,462	85.95%	9,444	79.71%	8,477	73.39%	8,136	72.87%	6,848	72.09%	11,482	80.28%	10,284	78.25%	10,276	78.96%	10,485	83.81%	10,692	78.22%

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
 AIRLINE OPERATION DATA (LANDING & TAKEOFFS)
 LAST TEN FISCAL YEARS

	2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
	2024	Share	2023	Share	2022	Share	2021	Share	2020	Share	2019	Share	2018	Share	2017	Share	2016	Share	2015	Share
Cargo Airlines																				
Air Cargo Carriers	266	2.19%	674	5.69%	731	6.33%	740	6.63%	738	7.77%	728	5.09%	755	5.74%	748	5.75%	-	0.00%	759	5.55%
Ameriflight	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Federal Express	264	2.17%	268	2.26%	456	3.95%	415	3.72%	263	2.77%	372	2.60%	468	3.56%	473	3.63%	468	3.74%	467	3.42%
Martinaire	-	0.00%	217	1.83%	252	2.18%	256	2.29%	256	2.70%	251	1.75%	245	1.86%	250	1.92%	255	2.04%	281	2.06%
Mountain Air	441	3.62%	448	3.78%	440	3.81%	452	4.05%	409	4.31%	464	3.24%	327	2.49%	260	2.00%	256	2.05%	261	1.91%
United Parcel Service	739	6.07%	797	6.73%	1,195	10.34%	1,166	10.44%	985	10.36%	1006	7.04%	1,063	8.10%	1,007	7.74%	1,018	8.14%	971	7.10%
Wiggins Airways	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	29	0.23%	238	1.74%
Subtotal	1,710	14.05%	2,404	20.29%	3,074	26.61%	3,029	27.13%	2,651	27.91%	2,821	19.72%	2,858	21.75%	2,738	21.04%	2,026	16.19%	2,977	21.78%
Totals	12,172	100.00%	11,848	100.00%	11,551	100.00%	11,165	100.00%	9,499	100.00%	14,303	100.00%	13,142	100.00%	13,014	100.00%	12,511	100.00%	13,669	100.00%

- (1) d/b/a United Express
- (2) d/b/a Delta Connection
- (3) d/b/a US Airways Express

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2024

<u>Type of Coverage</u>	<u>Insurer</u>	<u>Coverage Amount</u>	<u>Expiration Date</u>
Worker's Compensation	South Carolina Accident Fund	Actual	2/17/25
Auto Comprehensive and Collision	South Carolina Insurance Reserve Fund	\$ 3,042,399	2/17/25
Data Processing	South Carolina Insurance Reserve Fund	\$ 500,000	2/17/25
Business Interruption	South Carolina Insurance Reserve Fund	\$ 1,674,527	2/17/25
Building and Personal Property	South Carolina Insurance Reserve Fund	\$ 183,296,357	2/17/25
Auto Liability	South Carolina Insurance Reserve Fund	\$ 1,000,000	2/17/25
Inland Marine	South Carolina Insurance Reserve Fund	\$ 829,190	2/17/25
General Tort Liability	South Carolina Insurance Reserve Fund	\$ 1,000,000	2/17/25
Medical Professional Liability	South Carolina Insurance Reserve Fund	\$300,000 / \$600,000 Per Occurrence No Aggregate	2/17/25
Director/Officer	Stratford Insurance Co	\$ 1,000,000	8/1/25
Employee Dishonesty	Travelers Casualty & Surety	\$ 500,000	7/14/25
Airport Liability Insurance	Assured Partners Aerospace	\$ 150,000,000 (General Limit)	8/16/24
Cyber Liability	Travelers Casualty & Surety	\$ 2,000,000	10/30/25

Note: Each of the above policies were active at the financial statement date and through renewal as of the report date

SUPPLEMENTARY FEDERAL FINANCIAL ASSISTANCE SECTION

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR	Federal CFDA	Program / Contract	Total Expenditures
U.S. Department of Transportation			
Airport Improvement Program	20.106	3-45-0018-56	\$ 7,199
Airport Improvement Program	20.106	3-45-0018-57	197,346
Airport Improvement Program	20.106	3-45-0018-60	196,875
Airport Improvement Program	20.106	3-45-0018-61	2,880,907
Airport Improvement Program	20.106	3-45-0018-62	812,561
Airport Improvement Program	20.106	3-45-0018-63	32,385
Airport Improvement Program	20.106	3-45-0018-64	842,046
Airport Improvement Program	20.106	3-45-0018-66	28,006
Airport Improvement Program	20.106	3-45-0018-67	577,818
Airport Improvement Program	20.106	3-45-0018-69	1,498
Total U.S. Department of Transportation			<u>5,576,641</u>
U.S. Department of Homeland Security			
Law Enforcement Officer			
Reimbursement Agreement Program	97.090	70T02021T6114N071	61,440
Total U.S. Department of Homeland Security			<u>61,440</u>
Total Federal Awards			<u>\$ 5,638,081</u>

See accompanying independent auditor's report and notes to schedules of federal financial assistance.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA

SCHEDULE OF PASSENGER FACILITY CHARGE (PFC'S) AND EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Quarter Ending 3/31/2024	Quarter Ending 6/30/2024	Quarter Ending 9/30/2024	Quarter Ending 12/31/2024	Total
PFC Account					
Beginning Balance					<u>\$4,781,097</u>
Revenue:					
Collections	\$ 566,211	\$ 686,606	\$ 648,266	\$ 711,960	2,613,043
Interest	-	-	-	-	-
Total Revenue	<u>566,211</u>	<u>686,606</u>	<u>648,266</u>	<u>711,960</u>	<u>2,613,043</u>
Disbursements:					
Apron Construction	-	-	-	-	-
Terminal Facility Improve	-	-	-	-	-
PFC Administration Costs	-	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PFC Account					
Ending Balance					<u><u>\$ 7,394,140</u></u>

See accompanying independent auditor's report and notes to schedules of federal financial assistance.

RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
NOTES TO SCHEDULES OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Richland-Lexington Airport District, South Carolina (the “District”) and is presented on the accrual basis of accounting. The information in the 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”). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. For purposes of the Schedule, federal programs include all federal awards and procurement relationships entered into directly between the District and the federal government. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note B - Summary of Significant Accounting Policies

1 – The financial information shown in the Schedule of Expenditures of Federal Awards reflects amounts recorded by District during its fiscal year January 1, 2024, through December 31, 2024. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

2 – The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note C – Passenger Facility Charge (PFC) Program

The accompanying Schedule of Passenger Facility Charges (PFC’s) has been prepared pursuant to the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration. Specific provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) and related documents such as OMB Compliance Supplement and Data Collection Form are not applicable to the PFC program.

The financial activity shown in the Schedule of Passenger Facility Charges (PFC’s) and Expenses reflects amounts recorded by the District during its fiscal year January 1, 2024, through December 31, 2024.

**RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
NOTES TO SCHEDULES OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024**

Note D - Matching Costs

Matching costs, i.e. the non-federal share of certain program costs, are not included in the accompanying schedule.

Note E - Contingencies

The District receives funds under various federal grant programs, and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.



**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 Honorable Chairman and Members of the Airport Commission
Richland-Lexington Airport District, South Carolina

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 Richland-Lexington Airport District, South Carolina, (the “District”), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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.

Scott and Company LLC

Columbia, South Carolina
February 6, 2026



Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To Honorable Chairman and Members of the Airport Commission
Richland-Lexington Airport District, South Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Richland-Lexington Airport, South Carolina, (the "District") compliance with the types of compliance requirements that could have a direct and material effect on the District's major federal program for the year ended December 31, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The 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.

Scott and Company LLC

Columbia, South Carolina
February 6, 2026



Independent Auditor’s Report on Compliance for the Passenger Facilities Charge (PFC) Program and on Internal Control over Compliance

To Honorable Chairman and Members of the Airport Commission
Richland-Lexington Airport District, South Carolina

Report on Compliance for the Passenger Facilities Charge Program

Opinion on the Passenger Facilities Charge Program

We have audited Richland-Lexington Airport District, South Carolina, (the “District”) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the “Guide”), that could have a direct and material effect on the District’s Passenger Facility Charge Program for the year ended December 31, 2024.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facilities Charge Program.

Basis for Opinion on the Passenger Facilities Charge Program

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 described in the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Scott and Company LLC

Columbia, South Carolina
February 6, 2026

**RICHLAND-LEXINGTON AIRPORT DISTRICT, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section I—Summary of Auditor’s Results

Financial Statements:

We have issued an unmodified opinion dated February 6, 2026, on the financial statements of Richland-Lexington Airport District, South Carolina.

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported
- Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major program:

- Material weaknesses identified? Yes
- Significant deficiencies identified? None Reported

We have issued an unmodified opinion dated February 6, 2026, on Richland-Lexington Airport District, South Carolina’s compliance for its major program.

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

Identification of major programs

CFDA Number
20.106

Name of Federal Program
Airport Improvement Program

Dollar threshold used to be distinguished between Type A and Type B Programs: \$750,000

Auditee qualified as low risk auditee? Yes

Section II - Financial Statement Findings:

None Reported.

Section III - Federal Award Findings and Questioned Costs:

Item 2024-001: Report Submission to the Federal Audit Clearinghouse (Other Matter Required to be Reported Under the Uniform Guidance) (Material Weakness)

Criteria: 2 CFR §200.512(a)(1) requires a non-federal entity that expends federal awards of \$750,000 or more in a fiscal year to submit a reporting package to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receiving the auditor's report or nine months after the end of the audit period.

Condition: The District did not prepare and submit its Data Collection Form and Reporting Package for the year ended December 31, 2024 to the Federal Audit Clearinghouse by the due date of September 30, 2025.

Cause: The District was without its Chief Executive Officer for most of the fiscal year 2025. The Chief Financial Officer was performing both duties and was not able to timely reconcile general ledger and produce the financial statements. Accordingly, the District's general ledger for the year December 31, 2024 was not closed out in a timely manner.

Effect: The District's Data Collection Form and Reporting Package for the year ended December 31, 2024 was not prepared and submitted to the Federal Audit Clearinghouse by the due date.

Recommendation: We recommend that management implement a formal timeline for all aspects of the single audit process to include developing a written plan with defined responsibilities and target dates for each task in the event of a key management personnel departure.

Summary Schedule of Prior Audit Findings:

None

February 6, 2026

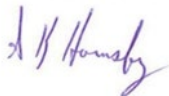
The Richland-Lexington Airport District respectfully submits this corrective action plan for the audit finding during the 2024 year-end audit.

The management of the Richland-Lexington Airport District agrees with Item 2024-001 as presented in Section III- Federal Award Findings and Questioned Costs. The challenges associated with both roles and the time required to select the District's next permanent Chief Executive Officer resulted in a delay in completing the audit of the District's financial statements for the year ended December 31, 2024.

The Richland-Lexington Airport Commission selected Mr. Christopher White, AAE as the District's Chief Executive Officer and Mr. White assumed his new duties with the District on January 4, 2026. As of this date, the Chief Financial Officer was relieved of the Interim Chief Executive Officer duties and has completed all actions necessary to reconcile the general ledger and finalize the District's Annual Comprehensive Financial Report (the "ACFR") for the year ended December 31, 2024.

The "full-staffing" status of the District's senior management team will allow for the proper allocation of personnel resources to ensure the timely production of the ACFR and District's Data Collection Form and Reporting Package in subsequent years.

Sincerely,



Gregory K. Hornsby
Chief Financial Officer
Richland-Lexington Airport District