

## Minutes of the Fairhope Airport Authority

October 21, 2014

The Fairhope Authority met Tuesday, October 21, 2014 at 4:30PM in the Delchamps Suite, Room 2, in the Civic Center at 161 N Section St.

Present: Charles Zunk, Chairman; other members present: Pam Caudill, Joe McEnerney, Rod Platt, and Jack Burrell. Charlie Bassett was absent. Present also was David Bagwell, Attorney, and Bill Ross of Continental Motors. Cynthia A Boothe took the minutes.

The minutes of the September 16, 2014 meeting were considered and approved on a motion by Rod Platt, second by Joe McEnerney and unanimously carried.

The minutes of the September 30, 2014 special meeting were considered and approved on a motion by Pam Caudill, second by Rod Platt and unanimously carried.

**Update on The Academy:** Charles Zunk stated that construction work on The Academy is going well and more quickly now and should be completed soon.

**Update on FBO lease:** Charles Zunk stated that he and Rod Platt met with the FAA and ALDOT about the lease and after a few suggestions to clarify some of the language in the lease the revision was sent to Continental Motors for review and after they approved the revisions the new lease was signed.

**Update on PNC Agreement and Consent:** Charles Zunk stated that PNC has accepted all the changes to the agreement concerning the recent land sales.

**Update on FY2014 AIP Grant construction:** Charles Zunk stated that having received the money from the state and federal grants that it should take about 30 days to complete the permitting process and after the contractor begins construction it should take about 60 days to complete the dirt work.

**Update on two pending land sales:** Charles Zunk stated that the sale of land for the stream mitigation for a conservation easement was approved by the Planning & Zoning Commission with only a few staff recommendations to take care of to complete the sale.

**Treasurer's Report:** Joe McEnerney stated that \$113,000.00 was used on Academy expenses last month and that normal year-end adjustments were being made to the financial statements ending 9-30-2014.

There being no further business, the meeting was adjourned at 4:57PM.

*Charles R. Zunk  
Chairman*

**PRELIMINARY - UNADJUSTED AND UNAUDITED**

**BALANCE SHEET**

ASSETS	ENDING BALANCE
CHECKING ACCOUNT	-
FNB CERTIFICATE OF DEPOSIT	-
CITIZEN'S CERTIFICATE OF DEPOSIT	103,466.55
FNB CONSTRUCTION ACCOUNT	103,167.23
PNC OPERATING ACCOUNT	332,996.40
PNC CONSTRUCTION ACCOUNT	47,544.61
BBVA-ACADEMY MONEY MARKET	639,012.01
BBVA-ACADEMY CONSTR ACCOUNT	101,602.74
FAA PROJECT	170.00
LAND AND CONSTRUCTION IN PROGRESS	11,061,874.46
CAPITAL IMPROVEMENTS	14,728,120.72
ACCUMULATED DEPRECIATION	(3,121,495.70)
DEFERRED EXPENSE - BOND ISSUE	23,231.00
TOTAL ASSETS	<u>24,019,690.02</u>
LIABILITIES	
2010 PNC LOAN-DEFEASE 2007 ALLIED IRISH LETTER OF CREDIT	8,440,000.00
DEFERRED INFLOWS OF RESOURCES	
SERVICE CONCESSION ARRANGEMENT REVENUE APPLICABLE TO FUTURE YEARS	2,700,000.00
NET POSITION	
RETAINED EARNINGS	2,160,670.43
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	12,254,440.43
NET EARNINGS	(1,535,420.84)
TOTAL LIABILITIES AND CAPITALIZATION	<u>24,019,690.02</u>

**INCOME STATEMENT**

REVENUES	CURRENT MONTH	YEAR TO DATE
FUEL SALES	630.96	9,253.36
CITY OF FAIRHOPE APPROPRIATION	36,916.66	443,000.00
T HANGER RENT	6,263.30	58,732.00
PUBLIC SAFETY RENT	573.30	6,879.60
FBO CONTINENTAL/OFFICE RENT	7,350.00	88,200.00
FAIRHOPE AIRPORT ACADEMY LOC	-	-
INTEREST INCOME	57.55	9,223.77
FAA GRANT	-	6,215.00
TOTAL REVENUES	<u>51,791.77</u>	<u>621,503.73</u>
EXPENSES		
INSURANCE	-	30,938.00
PROPERTY TAX	-	-
TRAVEL/DUES/MEETINGS	-	3,288.44
BANK FEES	92.50	925.81
LEGAL	2,380.00	24,583.00
PROFESSIONAL SERVICES	-	102,151.58
OFFICE AND GENERAL	113.54	3,924.18
SUPPLIES	-	1,427.90
MAINTENANCE	4,300.00	71,869.59
EQUIPMENT MAINTENANCE	-	-
FAIRHOPE AIRPORT ACADEMY EXPENSE	113,844.59	1,776,529.45
MISCELLANEOUS	-	664.48
INTEREST EXPENSE	10,590.79	129,523.21
ELECTRICITY	1,059.22	11,098.93
TOTAL EXPENSES	<u>132,380.64</u>	<u>2,156,924.57</u>
NET EARNINGS	<u>(80,588.87)</u>	<u>(1,535,420.84)</u>

CITY OF FAIRHOPE AIRPORT AUTHORITY  
 GOVERNMENTAL FUNDS FINANCIAL STATEMENTS  
 MEASUREMENT FOCUS - CURRENT FINANCIAL RESOURCES  
 MODIFIED ACCRUAL BASIS OF ACCOUNTING  
 MONTH ENDING SEPTEMBER 30, 2014

BALANCE SHEET

ASSETS	ENDING BALANCE
CHECKING ACCOUNT	-
FNB CERTIFICATE OF DEPOSIT	-
CITIZEN'S CERTIFICATE OF DEPOSIT	-
FNB CONSTRUCTION ACCOUNT	103,466.55
PNC OPERATING ACCOUNT	103,167.23
PNC CONSTRUCTION ACCOUNT	332,996.40
BBVA-ACADEMY MONEY MARKET	47,544.61
BBVA-ACADEMY CONSTR ACCOUNT	639,012.01
FAA PROJECT	101,602.74
TOTAL ASSETS	<u>170.00</u>
	<u>1,327,959.54</u>
LIABILITIES	
DEFERRED RENT	2,700,000.00
FUND BALANCE AND NET EARNINGS	
FUND BALANCE	705,896.91
NET EARNINGS	(2,077,937.37)
TOTAL LIABILITIES AND NET EARNINGS	<u>1,327,959.54</u>

INCOME STATEMENT

REVENUES	CURRENT MONTH	YEAR TO DATE
FUEL SALES	630.96	9,253.36
CITY OF FAIRHOPE APPROPRIATION	36,916.66	443,000.00
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PUBLIC SAFETY RENT	573.30	6,879.60
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FAIRHOPE AIRPORT ACADEMY LOC	-	-
INTEREST INCOME	57.55	9,223.77
FAA GRANT	-	6,215.00
TOTAL REVENUES	<u>51,791.77</u>	<u>621,503.73</u>
EXPENSES		
INSURANCE	-	30,938.00
PROPERTY TAX	-	-
TRAVEL/DUES/MEETINGS	-	3,288.44
BANK FEES	92.50	925.81
LEGAL	2,380.00	24,583.00
PROFESSIONAL SERVICES	-	102,151.58
OFFICE AND GENERAL	113.54	3,924.18
SUPPLIES	-	1,427.90
MAINTENANCE	4,300.00	71,869.59
EQUIPMENT MAINTENANCE	-	-
FAIRHOPE AIRPORT ACADEMY EXPENSE	113,844.59	1,776,529.45
MISCELLANEOUS	-	664.48
INTEREST EXPENSE	-	-
BOND ISSUE EXPENSE	-	-
ELECTRICITY	1,059.22	11,098.93
CAPITAL PURCHASES-LAND	6,874.76	287,516.53
CAPITAL IMPROVEMENTS	10,590.79	129,523.21
DEBT SERVICE-INTEREST	-	255,000.00
DEBT SERVICE-PRINCIPAL PAYMENT	-	-
TOTAL EXPENSES	<u>139,255.40</u>	<u>2,699,441.10</u>
NET EARNINGS	<u>(87,463.63)</u>	<u>(2,077,937.37)</u>

ADJUSTMENT OF NET EARNINGS TO NET CASH FLOW

Net Earnings for the month ended Sept 30, 2014, before adjustment	\$ (87,463.63)	(2,077,937.37)
Adjustment for expenditures related to Airport Academy	113,844.59	1,776,529.45
Adjustment for expenditures related to the use of the Airport's line of credit	-	-
Net cash flow for the month ended Sept 30, 2014	<u>\$ 26,380.96</u>	<u>\$ (301,407.92)</u>