

Minutes of the Fairhope Airport Authority

September 16, 2014

The Fairhope Airport Authority met Tuesday, September 16, 2014 at 4:30PM in the Delchamps Suite, Room 1, in the Civic Center at 161 N Section St.

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

The minutes of the August 19, 2014 meeting were considered and approved on a motion by Pam Caudill, second by Joe McEnerney and unanimously carried.

Addition to the Agenda: Charles Zunk asked for a motion to add to the agenda a discussion and consideration of the sale of 9.4+/- acres of property on the west side to Hy-Grade Valve. A motion was made by Charlie Bassett, second by Pam Caudill and unanimously carried.

Discussion and Consideration of Sale of Property: Charles Zunk described which lots (14 & 15) that Hy-Grade Valve was interested in purchasing so that they could expand their business to the east of their existing building. He also stated the terms and details of the sale and that the purchase price will be \$260,000.00 with the net proceeds being applied to the PNC loan principal. After the group discussed the sale of the property and with a motion on the table to approve the sale by Rod Platt and a second by Joe McEnerney it was unanimously carried.

Letter from Howard Hadley: Although not on the agenda Charles Zunk read a letter from Howard Hadley who stated because of a business move to Sterling, Virginia he will be unable to fulfill his duties for the Airport Authority and tendered his resignation effective September 16, 2014. He

also stated how much he enjoyed his time serving on the board and felt much has been accomplished and will continue to be accomplished by the Airport Authority members. Charles Zunk stated that a new member will be appointed by the mayor and approved by the City Council to fill out Howard's term which runs through March of 2019.

Update on "The Academy": Charlie Bassett stated that progress is still being made on the building and hopefully everything will be completed in time for the January term. In the meantime there are two trailers on the property, one for welding classes and the other for industrial maintenance classes. The aviation classes are being held in Robertsdale.

Update on FBO lease: Charles Zunk stated that he hoped to be able to present something on the FBO lease at the next meeting about whether to pursue a lease extension or ask for a RFP.

Update on FY2014 AIP Grant construction: Chuck Zunk stated that Volkert is finalizing plans on the drainage issues and as the Airport Authority has secured the grant money needed that the contractor should be able to begin the project within sixty days.

Update of Stream Mitigation Land Sale: Rod Platt stated that everything should be in order for the Planning and Zoning Commission to approve the subdivision of the property at the next meeting set for October 6, 2014 so that the sale of the property can be completed.

Treasurer's Report: Joe McEnerney stated that \$332,934.09 was spent on Academy expenses and that he and Jill Cabiness are working on having all the financial information in order for the year end reports.

There being no further business, the meeting was adjourned.

CITY OF FAIRHOPE AIRPORT AUTHORITY
 GOVERNMENTWIDE FINANCIAL STATEMENTS
 MEASUREMENT FOCUS - ECONOMIC RESOURCES
 ACCRUAL BASIS OF ACCOUNTING
 MONTH ENDING SEPTEMBER 30, 2014

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

		ENDING BALANCE
ASSETS		
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
	TOTAL ASSETS	<u><u>1,327,959.54</u></u>
LIABILITIES		
DEFERRED RENT		2,700,000.00
FUND BALANCE AND NET EARNINGS		
FUND BALANCE		705,896.91
NET EARNINGS		<u>(2,077,937.37)</u>
	TOTAL LIABILITIES AND NET EARNINGS	<u><u>1,327,959.54</u></u>

INCOME STATEMENT

		CURRENT MONTH	YEAR TO DATE
REVENUES			
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		-	-
BOND ISSUE EXPENSE		-	-
ELECTRICITY		1,059.22	11,098.93
CAPITAL PURCHASES-LAND		-	-
CAPITAL IMPROVEMENTS		6,874.76	287,516.53
DEBT SERVICE-INTEREST		10,590.79	129,523.21
DEBT SERVICE-PRINCIPAL PAYMENT		-	255,000.00
	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>