



AGENDA

Beaufort County
Airports Board Meeting
Beaufort County Government Center
County Council Chambers
Thursday, November 18th at 1:30 PM

Call to Order by Chairman

Motion to Accept November 18, 2010 Agenda.
__Accept __Deny

Motion to Accept October 21, 2010 Minutes. ([minutes](#))

__Accept __Deny

GUEST INTRODUCTIONS

PUBLIC COMMENTS - Limited to Three Minutes Each Person.

HILTON HEAD ISLAND AIRPORT REPORT

- Tower Report- Paul Andres ([report](#)) ([enplane/deplane](#))
- Projects-Paul Andres
 - Tree Obstructions
 - ARFF
 - RSA Drainage Improvements
 - Master Plan
 - Design Projects
- Operations Report- Chief Yeager ([ops report](#)) ([FY2011 Q1 report](#))
- Noise Complaints & Traffic Counters- Chief Yeager

BEAUFORT COUNTY AIRPORT REPORT

- Fuel Sales- Joel Phillips
- Projects- Paul Andres
 - Tree Obstructions
 - Master Plan([FY2011 Q1 report](#))

COMMITTEE REPORTS

- Lady's Island Airport Operations: Graham Kerr
- Hilton Head Island Airport Operations: Will Dopp

UNFINISHED BUSINESS:

- Aircraft Hangars (HXD): Paul Andres
- ATAX: Joe Zimmerman

NEW BUSINESS:

- FAA 5 Year AIP Plan Update: Paul Andres
- FY 2010 CAFR: Alicia Holland (FY2011 Q1 financial analysis)
(audited financials)

CONTINUATION OF PUBLIC COMMENTS - Limited to Three Minutes Each Person.

ADJOURNMENT

FUTURE MEETINGS

Airports Board: The next meeting will be held on Thursday, December 16, 2010 at 1:30 PM in the County Council Chambers of the Beaufort County Government Center.

County Council of Beaufort County
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Beaufort County Airport – www.beaufortcoairport.com
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Hilton Head Island, South Carolina 29925-3739
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AIRPORTS BOARD MEETING MINUTES
OF OCTOBER 21, 2010

The print media was notified in accordance with the State Freedom of Information Act.

The regularly scheduled meeting of the Beaufort County Airports Board was held at 1:30 PM on Thursday, October 21, 2010 in the Council Chambers of the Beaufort County Government Center. Chairman Pete Buchanan called the meeting to order.

It was moved by Mr. Dopp, seconded by Mr. Gilbert, that the agenda for the October 21, 2010 meeting be accepted. The vote was: FOR – Mr. Mazzei, Mr. Jorgensen, Mr. Dopp, Mr. Zimmerman, Mr. Buchanan, Mr. Sanders, Mr. Law, Mr. Kerr, Mr. Gilbert. ABSENT – Mr. Newman. The motion passed.

It was moved by Mr. Zimmerman, seconded by Mr. Gilbert that the minutes for the September 16, 2010 meeting be accepted. The vote was: FOR – Mr. Mazzei, Mr. Jorgensen, Mr. Dopp, Mr. Zimmerman, Mr. Buchanan, Mr. Sanders, Mr. Law, Mr. Kerr, Mr. Gilbert. ABSENT – Mr. Newman. The motion passed.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Pete Buchanan – Chairman
Councilman Rick Caporale – Beaufort County Liaison
Councilman Ken Heitzke – Town of Hilton Head Liaison
Will Dopp
Joseph Mazzei
Joe Zimmerman
Derek Gilbert
Graham Kerr
Leonard Law
Paul Jorgensen
Ross Sanders

MEMBERS ABSENT

Jared Newman – Vice Chairman

STAFF

Paul Andres – Airport Director
Rob McFee – Director, Engineering and Infrastructure Division
Joel Phillips – Beaufort Co. Airport Supv.
Linda Wright – Admin. Asst.

GUESTS

Councilman Bill McBride
Councilman Stu Rodman
Bill Coleman – Resident
Judy Elder – Talbert & Bright
Bob Richardson – Resident
Bob Gentzler - Resident

PUBLIC COMMENTS – There were no public comments at this time.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

- For the month of September 2010 there were 3,224 total flight operations of which 1,713 were conducted under IFR procedures.

2. Projects: Paul Andres

- Tree Obstruction Removal – The County and Town attorneys are handling the appeals that have been filed on behalf of St. James Baptist Church by their attorney. One appeal is scheduled for a hearing with the Hilton Head Island Board of Zoning Appeals October 25th at 2:30 p.m. Mr. Andres stated he has been instructed to proceed with the project until instructed otherwise. He stated they are in the process of getting the tree contractor and the arborist contracts executed at this time.
- ARFF Station – The construction is approximately 60% complete. They are getting ready to put the roof on and completely dry the building in so they can start the interior finish work.
- Runway Safety Area Drainage Improvements –This project is still on hold. Mr. Andres stated they are meeting with the Town Staff October 26th to discuss water quality plans. Mr. Andres stated they will try to identify what standards the Town has in place for water quality and what standards the Town wants achieved. Mr. Andres stated that unfortunately the suggestion still revolves around planting certain plant species that grow to three or four feet in height and attract wildlife..
- Hilton Head Master Plan – The draft Final Report is out and has been posted on the Airport's website. All of the elected officials have received copies of that report and a hard copy is on file in the Reference Room of the Hilton Head Island Library. The next joint presentation is scheduled for October 27th at 6:00 p.m. in the Performing Arts Theater of the Hilton Head Island High School. Mr. Kerr stated it would be nice if each of the Board members had a hard copy. Mr. Buchanan suggested further discussion of the Master Plan be held after all of the other reports have been given.

Design Projects –The design projects are still on hold depending completion of the Master Plan. Mr. Andres stated there has been no movement on the design improvements for the commercial terminal or the apron expansion replacement on the commercial side.

3. Operations Report: Paul Andres for Chief Yeager

- For the month of September 2010 there were 9 medivacs and there were 2 aviation incidents which involved 2 general aviation aircrafts blowing tires on the runway. These incidents occurred back to back on the same day which caused the runway to be closed for approximately 45 minutes.

4. Noise Complaints & Traffic Counters: Paul Andres for Chief Yeager

- For the month of September 2010 there were 4 complaints; 1 from Palmetto Hall Plantation and 3 in Port Royal Plantation. The complaints for Port Royal

Plantation involved one corporate jet and two Coast Guard helicopter training flights. The one from Palmetto Hall Plantation was also a corporate jet.

- For the month of September 2010 the after hours traffic count was 172.

Continuation of Hilton Head Airport Master Plan

Mr. Buchanan stated that several months ago the Airports Board recommended to the County Council that they accept Alternative No. 2. Mr. Buchanan then opened up discussions and questions to the Board. Mr. Mazzei requested Judy Elder of Talbert & Bright to come forward to comment on what changes, if any, are included in the new plan. Ms. Elder stated there are no changes to the Master Plan only the continuation and completion of several sections that had not been presented before. She stated this included the alternative analysis for the runway, the environmental overview, the cost for the program for the next 20 years, the financial feasibility analysis, and the airport layout plan drawing set. Ms. Elder stated this was the last portion reflected in the process chart. Mr. Buchanan asked if Ms. Elder would list the portions of the document that are new to the plan. Ms. Elder stated this would be Sections 5, 6, 7, 8 and 9 as well as Appendix D which contains the 3 questions they were asked to answer. Mr. Buchanan wanted to know the general topics of these sections. Ms. Elder stated Section 5 is the alternatives development for the runway, Section 6 is the environmental overview, Section 7 is the airport layout plan drawing set, Section 8 is the 20 year implementation, Section 9 is the financial feasibility analysis and Appendix D contains the responses to the 3 questions asked by Council.

Mr. Mazzei stated that originally the Board agreed on Alternative No. 2 which was the phased expansion from 5,000' to 5,400'. He stated he has thought about this and it seems to make sense to him to place the concrete for 5,400', but displace the threshold for 5,000' initially while they pursue the issues outside of the Airport. Mr. Mazzei stated he believed this would be more cost effective.

Mr. Jorgensen stated that according to a letter the FAA strongly recommended a runway of at least 5,000' and preferably 5,400'. Mr. Jorgensen stated if this is correct then it does not make sense to look at any alternative under 5,000'.

Mr. Sanders agreed that the runway should be at least 5,000' in order to have the Airport function properly.

Mr. Dopp stated the battle will be next Wednesday so it is too late for substitutions. Mr. Dopp also stated that as a Board they should have received the final draft and any further documents in paper form.

Mr. Zimmerman concurred with needing a printed copy of the Master Plan because it is too difficult to review the document when reading it on a computer especially in such a short period of time. Mr. Zimmerman stated he agreed with Mr. Dopp that the battle has been joined at this point. He stated some people have a sincere belief that something less 5,400' will serve the Airport. He added that there is a lot of conflicting information and a lot of positions being drawn, lines in the sand, etc. Mr. Zimmerman stated he did not know what would be accomplished at the meeting next Wednesday, but hoped that a vote would not be called because he felt the meeting would just raise more questions.

Mr. Law stated he echoed the comments that they needed a copy of the document in the major libraries and agreed with Mr. Dopp that each Board member should have received a copy.

Mr. Andres stated he was just advised by the Clerk to the Council that she is going to request that Staff Services reproduce a copy for every Board member today.

Mr. Kerr stated he agreed with laying 5,400' of concrete at the beginning as it would be cost effective. He stated it was his understanding that when the resolution was passed to complete the runway in two phases it was because this was the best that could be done from a political point of view. Mr. Kerr stated that if there is an option to actually put all of the concrete down in the beginning then that would be the best thing to do. He felt that doing the runway in two stages would be a waste of money.

Mr. Gilbert did not have any comment.

Mr. Buchanan stated he liked the comment Mr. Mazzei made about having the 5,400' runway from the beginning, but restrict its use. Mr. Buchanan wanted to know if he understood correctly that the 5,400' runway required some land acquisition. Ms. Elder stated that if the threshold were displaced at 5,000' there would be a couple of properties on the West side that would have to be looked at, but it would not go over Beach City Road. She stated that if they use the 5,400' they would have to relocate Beach City Road. Mr. Buchanan wanted to know if they would still need the EMAS if the threshold is displaced to 5,000' on a 5,400' runway. Ms. Elder stated that with the 5,400' it would still be beneficial to have the EMAS at the end, but it wouldn't have to be moved like it would if it was placed at 5,000'.

Mr. Buchanan asked the Board if they wanted to make any changes in the recommendation they had already given to County Council. Mr. Sanders stated they have not had time to review the newest documents. Mr. Mazzei stated the Board recommended Alternative No. 2 which was the two phase approach from 5,000' to 5,400' and he did not think they should change the original recommendation. He added that they just need to look at whether it is more cost effective to lay the concrete for the full 5,400' rather than just the 5,000' to start. Mr. Buchanan again asked the Board if anyone wanted to make a motion to amend the original recommendation. The consensus was that they did not want to make a motion to amend.

Mr. Kerr wanted to know what is involved in laying the concrete as Mr. Mazzei had suggested. Mr. Andres stated the consultant could look into this matter, but would need a little time to analyze it. Mr. Buchanan suggested this be brought up at the joint session on October 27th.

Mr. Dopp wanted to know if the October 27th meeting would be a public meeting. Mr. Andres stated he was not sure because that matter was being handled by Mr. Kubic and Mr. Riley.

Councilman Rodman suggested that when the Board members receive the Master Plan and have had a chance to look at it they could have another meeting the first of the next week and then make a recommendation. He also asked Ms. Elder if acquisition of some

of the property on the Airport side of Beach City Road would need to be acquired if the 5,400' of concrete is laid, but with a 5,000' displaced threshold. Ms. Elder said it is a case of the 800' feet of obstacle free area required off the end of the runway that the property would have to be acquired.

Mr. Buchanan stated he wasn't sure if the Board would be able to meet again by the first of next week. Mr. Andres was not sure there would be sufficient time to advertise the meeting. He also stated that he would not be available Monday or Tuesday. Mr. Dopp suggested they meet just before the joint presentation at the High School. Mr. Zimmerman felt there was too much material to go through in a short period of time. He stated the Council members that are present for the meeting have heard the Board's comments. Mr. Kerr concurred with Mr. Zimmerman. Councilman Caporale also concurred and stated that he had sent an email this morning to the Council, Mr. Heitzke, senior County staff, Mayor Peebles and Mr. Riley suggesting that they give themselves another 30 days to look at the Master Plan and hear responses to the questions that have been sent to Talbert & Bright and then agree to vote on the matter at the first meeting in December.

Continuation of Comments Concerning the Tree Obstructions at Hilton Head Island Airport

Councilman Caporale wanted to know if they would be able to start with the tree obstructions this month. Mr. Andres said probably not because the contracts are not yet executed and the attorneys are still handling the appeals. Councilman Caporale wanted to know if any more of the 16 agreements have been signed other than the 3 that had already been signed. Mr. Andres stated there is no new activity on the off-Airport easements. He stated this is another matter the attorneys will be handling shortly.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips
 - The total fuel sales for September were 7,836 gallons (5,345 gallons of AvGas and 2,491 gallons of jet fuel). There were 1,052 total operations which is down approximately 230 operations from the same time period last year. Mr. Buchanan asked how other small airports are doing in the state. Mr. Phillips stated some are doing considerably worse, some are holding their own and some are on the verge of closing. He stated the Lady's Island Airport seems to be holding its own even though corporate travel is down which is reflected in the jet fuel sales. He added that the AvGas sales are up by almost 1,200 gallons from the same time period last year.
2. Projects: Paul Andres
 - Tree Obstruction Removal – Mr. Andres stated the tree obstruction removal project is still on hold while they wait on resolution of the SCE&G utility pole issues at the Airport. He said they will be looking for additional funding. Mr. Andres stated a request has been made to the FAA and additional information is being sent to them for reimbursement for legal expenses that have occurred since the last time they were reimbursed. Mr. Andres stated the additional legal expenses amount to approximately \$93,000.00.

- Master Plan – An initial Airport Layout Plan drawing set was received a couple of months ago which has been looked at extensively and comments have been sent to the consultants. The consultants did produce draft Alternatives and Environmental Chapters for review and comments. Mr. Buchanan stated the drawings were sent back due to some serious errors on the drawings. Mr. Andres concurred.

COMMITTEE REPORTS

1. Lady's Island Airport Operations: Graham Kerr – No Report.
2. Hilton Head Island Airport Operations: Will Dopp
 - Mr. Dopp stated the comparison between the first 9 months of last year and this year were about the same. Aircraft movements exceeded 31,000 and the passenger count this year is up 11%. He stated there were 117,000 passengers in and out of the Airport versus 106,000 for the same time period last year.
 - Mr. Dopp stated the revenues for the FBO are up 8% and their fuel sold gallons are down by 6%. The County's share of the FBO's revenues is up substantially because the ground rents were increased. Mr. Dopp stated we have received \$88,000 versus \$65,000 last year.
 - Mr. Dopp stated County Council increased the hangar rents by 5% which makes the County's share increase to a little over \$10,000 a month. Mr. Dopp stated that over the last 12 months one T hangar tenant and one box hangar tenant have changed.
 - Mr. Dopp stated that with the new contract from Republic Parking the County gets 78% of all gross receipts once they reach \$100,000. Last fiscal year the County received \$20,000. For the first 6 months of this year, Republic has already received \$90,000 in gross receipts therefore the County could conceivably receive between \$50,000 and \$60,000 this year. Mr. Buchanan wanted to know if there appears to be more cars in the parking lot. Mr. Andres stated that from his observations on a daily basis it appears there are more cars in the parking lot.

UNFINISHED BUSINESS

1. Aircraft Hangars (Rental Rate/Sell)
 - Mr. Buchanan wanted to know if the County Attorney has said whether the hangars can legally be sold. Mr. Andres stated the County Attorney still has this under advisement. Mr. Andres stated he has spoken to the FBO manager to see if there is a possibility of renegotiating their hangar management arrangement. Mr. Kerr stated the question was put to the legal department in July and wanted to know why it is taking so long to provide an answer. Mr. Andres stated he did not know, but he would speak with the County Attorney on Monday.

Mr. Law asked Mr. Andres if there is any update with re-negotiating the through-the-fence contract. Mr. Andres stated there have been several counter proposals in order to work out details regarding as a phased approach to the fee schedule. Mr. Andres stated

there are 40 people and various regimes that have to reach an agreement, but it is moving forward and they are close to a solution. Mr. Dopp wanted to know if they would be able to get an annual inventory of aircraft. Mr. Andres stated this can be required of them, but some of the hangars do not contain aircraft or aeronautical equipment.

Councilman Caporale stated that it was mentioned previously that there were some sizeable credits issued to the FBO and wanted to know if Mr. Andres had looked into this matter. Mr. Andres stated the actual credits taken for 2009 amount to just over \$4,800. He stated that a third party audit of the FBO discovered that this was an overpayment of the fuel concessions that occurred in 2007 and 2008 when Signature Flight Support took over the operations from Carolina Air Center. Councilman Caporale wanted to know if any credits have been given this year and Mr. Andres stated he is not aware of any credits for this year, but any adjustments occur at the end of the FBO's fiscal year.

Mr. Andres stated that they are putting into place the new rental car concession contracts and that based on changes in definitions and wording, it appears that the revenues should go up approximately \$40,000 to \$50,000 over last year's concessions.

NEW BUSINESS

1. FY-11 Airport Budgets: Paul Andres

- Mr. Andres stated the financial reports that have been received from the Chief Financial Officer represent the consolidated reports for the first quarter for FY-11 for both Airports. He stated Mr. Starkey is trying to realign personnel salaries with their respective cost centers. There was one full time maintenance position that was paid out of the Hilton Head Island Airport budget, but the person actually works at the Lady's Island Airport so his salary and benefits have been retroactively transferred as of July 1st to the Lady's Island Airport. Mr. Andres stated in addition to that 25% of his salary and 25% of the financial technician's salary has been reallocated to the Lady's Island Airport. Mr. Andres stated that when you factor out the depreciation expense the Hilton Head Island Airport is approximately \$100,000 to the good and the Lady's Island Airport is approximately \$7,000 to the good which includes the salaries just absorbed by Lady's Island due to the reallocation.

Mr. Buchanan wanted to know why the depreciation is shown as 15%. Mr. Andres stated he would refer this question to Mr. Starkey. Mr. Buchanan stated he is assuming they are depreciating the total asset of which 95% comes from the FAA and yet the Airports get charged that depreciation. Mr. Andres stated it is his understanding that we take credit for the assets when they capitalize the assets when received. Mr. Buchanan felt this could be done on a general ledger. Mr. Buchanan further stated that they should take the 2.5% that the County comes up with and depreciate that against the Airports 2.5% of their assets. Mr. Mazzei stated that if they did this they would not be in conformance with accounting standards. Mr. Buchanan stated the Airports should be measured on a cash flow basis.

Mr. Andres stated the FAA grant application process is currently underway. The grant pre-applications for the next fiscal year are due to the FAA January 1st. Mr. Andres stated that in order to meet this deadline he will be working with the new consultants to

develop the grant pre-applications for both Airports. He stated they would continue to focus on the tree obstruction problems at both Airports and also on appropriate Master Plan recommendations for inclusion in the next 5-year AIP. Mr. Andres hopes to get this to the Board members before their next meeting in November. At that time he would like to get the members' input in order to obtain a recommendation to forward these plans to the Public Facilities Committee and County Council prior to the January 1st deadline. He stated the pre-applications alert the FAA to projects that we are looking for and the FAA will evaluate how much funding is available, both in entitlement funds and discretionary funds. Mr. Andres stated that after this pre-application is complete a whole new dialogue will take place in the Spring before the final grant application is submitted for next year. Mr. Zimmerman stated that in the Master Plan there is a great discussion of the FAA funding process.

Mr. Andres stated that as part of our revenue enhancement initiatives the Airport made an application to the Town of Hilton Head's Accommodation Tax Advisory Committee. He stated that this past Tuesday they held a preliminary review of the applications and unfortunately the Chairman of the Town's Accommodation Tax Advisory Committee indicated that, in his opinion, the Airport's application is not eligible for ATAX funding with the possible exception of a little bit of money for advertising, but he was not sure why a government entity would even need money for advertising. Mr. Andres stated he had asked for funding in support of essential services which includes law enforcement and fire protection provided at the Airport which the Town of Hilton Head also receives funding from the ATAX. He stated the other was for facility improvements to the commercial terminal that have been deferred for several years. Mr. Andres stated he was informed there were a lot of new applicants and that the combined total of the requests of just the first time applicants would exceed their available funding for this year. Mr. Andres stated he had a conversation with Mr. Kubic as to whether it was even feasible to spend more time and effort on the application process. He stated they came to the consensus that it was probably not worthwhile, but Mr. Kubic asked Mr. Andres to brief the Airports Board to see if any of the members had any thoughts or suggestions. Mr. Buchanan wanted to know if the Airport Fire Department was on call for the Town of Hilton Head. Mr. Andres stated they can provide backup, but they cannot go off the Airport because of the 3 minute response time required at the Airport. Mr. Buchanan asked how the law enforcement officers are paid. Mr. Andres stated we receive partial reimbursement from TSA and the airlines, but it does not cover the entire cost of providing services. Mr. Buchanan wanted to know if the Town of Hilton Head received any benefits from this. Mr. Andres stated the tourists that use the Airport do. Mr. Dopp stated he felt Mr. Andres should follow through on the application process because even though the Chairman of the ATAX stated the Airport does not qualify, the Town of Hilton Head gets 1/3 of the ATAX and uses it for the same purposes that the Airport wants to use it. Mr. Dopp stated he felt it would be better to wait and see if they reject us because they do not have enough money. Mr. Andres stated it is going to require a considerable amount of time, effort and energy on his part to pursue this matter when it was made very clear to him by the Chairman that the Airport is not eligible for consideration of funding. Mr. Mazzei stated that Mr. Zimmerman is the Town's representative on the Airport Board and that they should ask Mr. Zimmerman to plead the Airport's case that the ruling by the Chairman is inappropriate. Mr. Zimmerman stated he would be glad to go look into the matter.

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2010	1217	1240	2457	85	44	2586
February 2010	1171	1228	2399	136	37	2572
March 2010	1333	1918	3251	86	114	3451
April 2010	2610	1896	4506	87	84	4677
May 2010	1600	2154	3754	90	130	3974
June 2010	1560	2121	3681	92	125	3898
July 2010	1539	2097	3636	96	161	3893
August 2010	1148	2040	3188	124	135	3447
September 2010	1339	1713	3052	118	54	3224
October 2010	1393	1917	3310	184	111	3605
November 2010						
December 2010						
TOTALS 2010	14910	18324	33234	1098	995	35327

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2009	959	1280	2239	Out of Service	10	2249
February 2009	1457	1299	2756	Out of Service	24	2780
March 2009	1501	2091	3592	Out of Service	99	3691
April 2009	1547	2697	4244	Out of Service	116	4360
May 2009	1326	2226	3552	54	132	3738
June 2009	1637	2236	3873	162	128	4163
July 2009	1343	2321	3664	32	128	3824
August 2009	1118	2091	3209	28	121	3358
September 2009	1391	2041	3432	26	114	3572
October 2009	974	1993	2967	21	114	3102
November 2009	1451	1678	3129	Out of Service	41	3170
December 2009	1398	1313	2711	79	42	2832
TOTALS 2009	16102	23266	39368	402	1069	40839

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2008	1383	1720	3103	36	120	3259
February 2008	1473	1789	3262	12	84	3358
March 2008	1641	2294	3935	29	112	4076
April 2008	1666	2479	4145	6	66	4217
May 2008	2133	2405	4538	11	68	4617
June 2008	1959	2167	4126	14	74	4214
July 2008	1935	2479	4414	12	100	4526
August 2008	1228	1957	3185	16	83	3284
September 2008	1124	1833	2957	16	14	2987
October 2008	1305	1975	3280	12	13	3305
November 2008	1113	1775	2888	10	11	2909
December 2008	1222	1403	2625	13	6	2644
TOTALS 2008	18182	24276	42458	187	751	43396

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2007	1519	1713	3232	36	62	3330
February 2007	1335	1753	3088	31	62	3181
March 2007	1721	2391	4112	30	90	4232
April 2007	1949	2942	4891	28	120	5039
May 2007	1567	2579	4146	29	120	4295
June 2007	1462	2410	3872	34	124	4030
July 2007	1595	2587	4182	29	124	4335
August 2007	1308	2608	3916	28	124	4068
September 2007	1447	2106	3553	33	120	3706
October 2007	1389	2353	3742	33	124	3899
November 2007	1866	2420	4286	33	124	4443
December 2007	1262	1746	3008	36	124	3168
TOTALS 2007	18420	27608	46028	380	1318	47726

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2006	1217	1516	2733	11	62	2806
February 2006	836	1471	2307	24	62	2393
March 2006	1186	2328	3514	50	62	3626
April 2006	1489	2779	4268	33	62	4363
May 2006	1526	2478	4004	21	62	4087
June 2006	1265	2264	3529	58	62	3649
July 2006	1484	2298	3782	35	62	3879
August 2006	1357	2125	3482	55	62	3599
September 2006	1616	2096	3712	37	62	3811
October 2006	1452	2259	3711	34	62	3807
November 2006	1412	2123	3535	51	62	3648
December 2006	1600	1849	3449	129	62	3640
TOTALS 2006	16440	25586	42026	538	744	43308

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2005	1040	1411	2451			
February 2005	1070	1418	2488			
March 2005	1052	2009	3061			
April 2005	1314	2697	4011			
May 2005	1076	2388	3464			
June 2005	793	2187	2980			
July 2005	1134	2192	3326			
August 2005	810	2092	2902			
September 2005	530	760	1290			
October 2005	1012	2266	3278			
November 2005	1072	1979	3051			
December 2005	754	1544	2298			
TOTALS 2005	11657	22943	34600			

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2004			0			
February 2004			0			
March 2004			0			
April 2004	1129	1840	2969			
May 2004	1606	2153	3759			
June 2004	856	1974	2830			
July 2004	1118	2051	3169			
August 2004	773	1617	2390			
September 2004	786	1393	2179			
October 2004	1037	2274	3311			
November 2004	996	2001	2997			
December 2004	1266	1502	2768			
TOTALS 2004	9567	16805	26372			

ENPLANEMENTS/DEPLANEMENTS

HILTON HEAD ISLAND PASSENGER ENPLANEMENTS(departures) 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	2,985	3,520	3,540	3,145	4,206	2,510	2,539						
FEB	3,431	3,957	2,748	3,250	5,275	2,976	2,916						
MAR	5,053	6,647	5,956	6,273	8,052	5,547	6,044						
APR	6,513	7,809	6,715	8,985	7,930	6,872	7,596						
MAY	6,438	7,782	6,739	8,682	8,389	7,177	7,912						
JUN	6,111	6,814	6,140	8,638	7,819	6,771	7,947						
JUL	6,051	6,849	5,850	8,498	7,954	7,393	7,629						
AUG	6,422	6,500	5,086	8,843	7,649	6,957	7,617						
SEP	4,957	1,129	5,070	7,392	5,922	6,249	7,266						
OCT	6,115	6,632	5,794	9,230	6,882	6,601	8,314						
NOV	5,052	5,107	4,313	7,355	5,927	4,121							
DEC	3,792	3,676	3,198	4,780	2,928	2,977							
TOTALS	62,920	66,422	61,149	85,071	78,933	66,151	65,780						

HILTON HEAD ISLAND PASSENGER DEPLANEMENTS(arrivals) 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	2,810	3,177	3,253	2,887	3,591	2,308	2,228						
FEB	3,369	4,120	2,964	3,453	5,729	3,256	3,106						
MAR	5,558	7,418	6,652	7,313	8,652	5,770	6,750						
APR	7,053	7,912	6,740	9,289	8,263	7,057	8,111						
MAY	6,530	7,995	6,836	9,035	8,681	7,175	8,287						
JUN	6,419	7,649	6,465	8,961	8,110	7,055	8,716						
JUL	6,028	6,868	5,895	8,708	8,470	7,849	8,327						
AUG	6,518	6,399	5,177	8,979	7,748	6,684	7,706						
SEP	4,936	1,185	5,152	7,119	5,583	6,558	7,109						
OCT	6,102	6,654	5,832	9,068	7,243	6,699	8,135						
NOV	4,828	5,002	4,380	7,169	5,556	3,860							
DEC	3,972	3,742	3,419	5,010	3,037	3,248							
TOTALS	64,123	68,121	62,765	86,991	80,663	67,519	68,475						

ENPLANEMENTS/DEPLANEMENTS

TOTAL PASSENGER ENPLANEMENTS & DEPLANEMENTS 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	5,795	6,697	6,793	6,032	7,797	4,818	4,767						
FEB	6,800	8,077	5,712	6,703	11,004	6,232	6,022						
MAR	10,611	14,065	12,608	13,586	16,704	11,317	12,794						
APR	13,566	15,721	13,455	18,274	16,193	13,929	15,707						
MAY	12,968	15,777	13,575	17,717	17,070	14,352	16,199						
JUN	12,530	14,463	12,605	17,599	15,929	13,826	16,663						
JUL	12,079	13,717	11,745	17,206	16,424	15,242	15,956						
AUG	12,940	12,899	10,263	17,822	15,397	13,641	15,323						
SEP	9,893	2,314	10,222	14,511	11,505	12,807	14,375						
OCT	12,217	13,286	11,626	18,298	14,125	13,300	16,449						
NOV	9,880	10,109	8,693	14,524	11,483	7,981	0						
DEC	7,765	7,418	6,617	9,790	5,965	6,225	0						
TOTALS	127,044	134,543	123,914	172,062	159,596	133,670	134,255						

Delta Connection/ASA began service March 17, 2007
 Delta Connection/ASA suspended service November 30, 2008
 Delta Connection/Mesaba began service March 2, 2009
 Delta Connection/Mesaba suspended service November 2, 2009
 Delta Connection/Mesaba began service March 4, 2010
 Delta Connection/Mesaba suspended service November 1, 2010

LADY'S ISLAND AIRPORT OPERATIONS REPORT

		Avgas	Jet A	Total Flow	Total Flight Ops
2010					
January		4,385	3,837	8,222	Not Available
February		4,271	3,159	7,430	1,328
March		2,801	3,045	5,846	871
April		4,511	3,000	7,511	2,185
May		5,559	4,388	9,947	1,730
June		4,584	2,519	7,103	1,110
July		5,260	2,954	8,214	1,312
August		4,277	1,955	6,232	1,010
September		5,345	2,491	7,836	1,052
October		5,812	4,691	10,503	1,562
November					
December					
2010 Totals		46,805	32,039	78,844	12,160
2009					
January		3,421	1,829	5,250	750
February		4,281	3,196	7,477	1,100
March		4,241	3,624	7,865	1,400
April		6,871	3,141	10,012	1,600
May		5,822	3,979	9,801	Not Available
June		6,914	5,849	12,763	1,824
July		4,959	2,459	7,418	1,185
August		5,389	3,214	8,603	1,285
September		4,258	3,715	7,973	1,184
October		4,500	723	5,223	1,052
November		4,538	4,969	9,507	1,326
December		2,932	3,543	6,475	1,050
2009 Totals		58,126	40,241	98,367	13,756
2008					
January		5,619	4,937	10,556	1,210
February		5,500	6,200	11,700	Not Available
March		Not broken down		8,100	Not Available
April		5,675	5,435	11,110	1,225
May		5,363	6,907	12,270	1,680
June		6,196	3,954	10,150	1,153
July		4,442	3,367	7,809	985
August		4,402	2,120	6,522	940
September		4,358	3,613	7,971	1,180
October		5,308	3,244	8,552	1,050
November		5,200	3,700	8,900	Not Available
December		3,535	2,200	5,735	Not Available
2008 Totals		55,598	45,677	109,375	9,423

Unaudited
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
Lady's Island Airport
September 30, 2010 & September 30, 2009

	<u>September 30, 2010</u>	<u>September 30, 2009</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments with Trustee	\$ 372	\$ 372
Receivables, Net	141,255	9,362
Internal Balances	-	(240,000)
Inventories	60,669	60,707
Total Current Assets	<u>202,296</u>	<u>(169,559)</u>
Capital Assets	4,830,333	4,082,948
Accumulated Depreciation	(691,681)	(625,425)
	<u>4,138,652</u>	<u>3,457,523</u>
Total Assets	4,340,948	3,287,964
<u>LIABILITIES</u>		
Liabilities		
Account Payable	81,079	34,203
Accrued Payroll	3,171	1,966
Due to General Fund	438,981	215,835
Total Current Liabilities	<u>523,231</u>	<u>252,004</u>
Long Term Liabilities		
Accrued Compensated Absences	2,554	2,090
Net Other Postemployment		
Benefits Obligation	9,940	5,019
Total Long Term Liabilities	<u>12,494</u>	<u>7,109</u>
Total Liabilities	535,725	259,113
<u>NET ASSETS</u>		
Invested in Capital Assets, Net		
of Related Debt	4,138,652	3,457,523
Unrestricted (Deficit)	(333,429)	(428,672)
	<u>3,805,223</u>	<u>3,028,851</u>
Total Net Assets	\$ 3,805,223	\$ 3,028,851

Unaudited
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Lady's Island Airport
For the Period Ended September 30, 2010

	Revised Budget FY 2011	September 30, 2010	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 520,000	\$ 97,005	\$ (422,995)	19%
Concession Sales	9,000	1,110	(7,891)	12%
Landing Fees	15,000	3,315	(11,685)	22%
Rentals	110,417	27,511	(82,906)	25%
Other Charges	7,800	-	(7,800)	0%
Total Operating Revenues	662,217	128,941	(533,276)	19%
Operating Expenses				
Costs of Sales and Services	335,950	69,123	(266,827)	21%
Personnel	179,919	30,437	(149,482)	17%
Purchased Services	111,890	20,929	(90,961)	19%
Supplies	18,000	1,701	(16,299)	9%
Non-Grant Capital Expenditures	18,000	-	(18,000)	0%
Depreciation	60,826	13,251	(47,575)	22%
Total Operating Expenses	724,585	135,441	(589,144)	19%
Operating Income (Loss)	(62,368)	(6,500)	55,868	10%
Non-Operating Revenues (Expenses)				
Non-Operating Grant Expenditures	-	(1,883)	(1,883)	100%
Gain (Loss) on Sale of Capital Assets	198	198	-	100%
Interest Earned	200	397	197	199%
Total Non-Operating Revenues	398	(1,288)	(1,686)	-324%
Change in Net Assets	(61,970)	(7,788)	54,182	13%
Net Assets, Beginning	3,813,011	3,813,011		
Net Assets, Ending	\$ 3,751,041	\$ 3,805,223	\$ 54,182	101%

Unaudited and Not Finalized
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Lady's Island Airport
For the Period Ended September 30, 2009

	Revised Budget FY 2010	September 30, 2009	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 477,666	\$ 96,049	\$ (381,617)	20%
Concession Sales	7,188	2,159	(5,029)	30%
Landing Fees	18,561	3,646	(14,916)	20%
Rentals	103,775	26,110	(77,665)	25%
Other Charges	100	29	(72)	29%
Total Operating Revenues	607,290	127,992	(479,298)	21%
Operating Expenses				
Costs of Sales and Services	363,776	62,858	(300,918)	17%
Personnel	114,411	27,103	(87,308)	24%
Purchased Services	108,949	15,915	(93,034)	15%
Supplies	26,630	4,168	(22,462)	16%
Non-Grant Capital Expenditures	10,906	-	(10,906)	0%
Depreciation	(11,351)	-	11,351	0%
Total Operating Expenses	613,321	110,044	(503,277)	18%
Operating Income (Loss)	(6,031)	17,948	23,979	-298%
Non-Operating Revenues (Expenses)				
FAA Grants	1,183,471	-	(1,183,471)	0%
SCAC Grants	31,144	-	(31,144)	0%
Non-Operating Grant Expenditures	(1,281,195)	(38,727)	1,242,468	3%
General Fund Contributions	100,000	25,000	(75,000)	100%
Gain on Sale of Capital Assets	562	-	(562)	0%
Interest Earned	-	147	147	100%
Total Non-Operating Revenues	33,982	(13,580)	(47,562)	100%
Change in Net Assets	27,951	4,368	(23,583)	-16%
Net Assets, Beginning	3,024,483	3,024,483		
Net Assets, Ending	\$ 3,052,434	\$ 3,028,851	\$ (23,583)	99%

Unaudited
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
Hilton Head Island Airport
September 30, 2010 & September 30, 2009

	<u>September 30, 2010</u>	<u>September 30, 2009</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments with Trustee	\$ 200	\$ 200
Receivables, Net	412,376	201,993
Internal Balances	-	240,000
Total Current Assets	<u>412,576</u>	<u>442,193</u>
Capital Assets	24,672,753	23,624,582
Accumulated Depreciation	<u>(6,140,020)</u>	<u>(5,470,455)</u>
	18,532,733	18,154,127
Total Assets	18,945,309	18,596,320
<u>LIABILITIES</u>		
Liabilities		
Account Payable	166,991	77,683
Accrued Payroll	19,772	19,677
Due to General Fund	1,727,227	1,596,602
Current Portion of Advance		
from General Fund	<u>43,750</u>	<u>41,629</u>
Total Current Liabilities	1,957,740	1,735,591
Long Term Liabilities		
Accrued Compensated Absences	38,596	37,833
Net Other Postemployment		
Benefits Obligation	126,617	72,483
Advance from General Fund	1,638,787	1,682,023
Total Long Term Liabilities	<u>1,804,000</u>	<u>1,792,339</u>
Total Liabilities	3,761,740	3,527,930
<u>NET ASSETS</u>		
Invested in Capital Assets, Net		
of Related Debt	18,532,733	18,154,127
Unrestricted (Deficit)	<u>(3,349,165)</u>	<u>(3,085,737)</u>
Total Net Assets	\$ 15,183,568	\$ 15,068,390

Unaudited
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Hilton Head Island Airport
For the Period Ended September 30, 2010

	Revised Budget FY 2011	September 30, 2010	Budget to Actual	Percent of Budget
Operating Revenues				
Ground Leases	\$ 44,892	\$ 11,223	\$ (33,669)	25%
FBO Concessions	18,500	26,327	7,827	142%
FBO Fuel Comission	100,800	2,409	(98,391)	2%
Firefighting Fees	346,650	90,119	(256,531)	26%
Landing Fees	161,370	52,491	(108,879)	33%
Parking/Taxi Fees	55,000	300	(54,700)	1%
Security Fees	39,064	9,164	(29,900)	23%
Rentals	826,718	206,225	(620,493)	25%
TSA Revenues	152,688	39,097	(113,591)	26%
Other Charges	6,000	740	(5,260)	12%
Total Operating Revenues	1,751,682	438,095	(1,313,587)	25%
Operating Expenses				
Personnel	837,175	239,451	(597,724)	29%
Purchased Services	458,775	87,176	(371,599)	19%
Supplies	47,582	9,414	(38,168)	20%
Depreciation	575,000	136,527	(438,473)	24%
Total Operating Expenses	1,918,532	472,568	(1,445,964)	25%
Operating Income (Loss)	(166,850)	(34,473)	132,377	21%
Non-Operating Revenues (Expenses)				
FAA Grants	1,181,131	-	(1,181,131)	0%
SCAC Grants	31,082	-	(31,082)	0%
Non-Operating Grant Expenses	(1,243,296)	(7,736)	1,235,560	1%
Interest Earned	35,000	46	(34,954)	0%
Interest Expense	(83,325)	(21,032)	62,293	25%
Total Non-Operating Revenues	(79,408)	(28,722)	50,686	36%
Change in Net Assets	(246,258)	(63,195)	183,063	26%
Net Assets, Beginning	15,047,802	15,246,763		
Net Assets, Ending	\$ 14,801,544	\$ 15,183,568	\$ 183,063	103%

Unaudited
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Hilton Head Island Airport
For the Period Ended September 30, 2009

	Revised Budget FY 2010	September 30, 2009	Budget to Actual	Percent of Budget
Operating Revenues				
Ground Leases	\$ 36,054	\$ 9,117	\$ (26,937)	25%
FBO Concessions	16,351	2,782	(13,569)	17%
FBO Fuel Comission	108,561	23,148	(85,413)	100%
Firefighting Fees	360,474	90,119	(270,355)	25%
Landing Fees	106,704	46,237	(60,467)	43%
Parking/Taxi Fees	18,366	11,047	(7,319)	60%
Rentals	861,544	221,009	(640,535)	26%
TSA Revenues	90,737	35,281	(55,456)	39%
Other Charges	21,863	762	(21,101)	3%
Total Operating Revenues	1,620,654	439,502	(1,181,152)	27%
Operating Expenses				
Personnel	932,102	227,284	(704,818)	24%
Purchased Services	480,377	105,621	(374,756)	22%
Supplies	68,189	8,435	(59,754)	12%
Bad Debt Expense	1,571	-	(1,571)	100%
Depreciation	(276,264)	-	276,264	0%
Total Operating Expenses	1,205,975	341,340	(864,635)	28%
Operating Income (Loss)	414,679	98,162	(316,517)	24%
Non-Operating Revenues (Expenses)				
FAA Grants	8,792,392	-	(8,792,392)	0%
SCAC Grants	119,089	-	(119,089)	0%
Non-Operating Grant Expenses	(5,728,846)	(114,432)	5,614,414	2%
General Fund Contributions	150,000	37,500	(112,500)	25%
Gain/Loss on Sale of Property and Equipment	26,745	-	(26,745)	0%
Interest Earned	23,574	20,904	(2,670)	89%
Interest Expense	(126,535)	(21,546)	104,989	-100%
Total Non-Operating Revenues	3,256,419	(77,574)	(3,333,993)	-2%
Change in Net Assets	3,671,098	20,588	(3,650,510)	-99%
Net Assets, Beginning	15,047,802	15,047,802		
Net Assets, Ending	\$ 18,718,900	\$ 15,068,390	\$ (3,650,510)	80%



Beaufort County, South Carolina

*Hilton Head Island Airport & Lady's
Island Airport Financial Analysis –
First Quarter Ending
September 30, 2010*



Presentation Outline

- ❖ FY 2010 Fund Balance – Audited
- ❖ FY 2011 Fund Balance as of September 30, 2010
- ❖ Cash Flow
- ❖ Depreciation



Fund Balances

- ❖ Both Airports FY 2010 Fund Balances increased as compared to FY 2009.
- ❖ FY 2011 Fund Balances as of September 30, 2010 have decreased.
- ❖ Revenues and Operating Expenses are comparable with September 30, 2009.



Cash Flow and Depreciation

- ❖ FY 2010 – very little change in Cash and Cash Equivalents

- ❖ Depreciation
 - ❖ Properly allocates the cost of the asset over its useful life.

Questions?



BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
ASSETS					
Current Assets					
Cash and Investments	\$ 1,877,080	\$ 372	\$ 200	\$ 1,877,652	\$ 339,445
Receivables, Net	206,235	138,586	741,200	1,086,021	201,037
Inventories	186,916	60,669	-	247,585	-
Prepayments	<u>862</u>	<u>1,509</u>	<u>550</u>	<u>2,921</u>	<u>71,726</u>
Total Current Assets	2,271,093	201,136	741,950	3,214,179	612,208
Capital Assets	2,733,723	4,830,333	24,365,702	31,929,758	411,911
Accumulated Depreciation	<u>(1,442,504)</u>	<u>(678,431)</u>	<u>(6,003,493)</u>	<u>(8,124,428)</u>	<u>(231,486)</u>
	1,291,219	4,151,902	18,362,209	23,805,330	180,425
Total Assets	\$ 3,562,312	\$ 4,353,038	\$ 19,104,159	\$ 27,019,509	\$ 792,633
LIABILITIES					
Liabilities					
Account Payable	108,991	280,816	366,872	756,679	562,370
Accrued Payroll	90,149	5,453	45,067	140,669	414
Accrued Compensated Absences	3,757	128	1,930	5,815	-
Due to General Fund	-	242,248	1,608,534	1,850,782	-
Current Portion of Advance from General Fund	<u>-</u>	<u>-</u>	<u>43,210</u>	<u>43,210</u>	<u>-</u>
Total Current Liabilities	202,897	528,645	2,065,613	2,797,155	562,784
Long Term Liabilities					
Accrued Compensated Absences	71,379	2,426	36,666	110,471	-
Net Other Postemployment Benefits Obligation	306,790	8,956	115,790	431,536	5,019
Advance from General Fund	<u>-</u>	<u>-</u>	<u>1,639,327</u>	<u>1,639,327</u>	<u>-</u>
Total Long Term Liabilities	378,169	11,382	1,791,783	2,181,334	5,019
Total Liabilities	581,066	540,027	3,857,396	4,978,489	567,803
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,291,219	4,151,902	18,362,209	23,805,330	180,425
Unrestricted (Deficit)	<u>1,690,027</u>	<u>(338,891)</u>	<u>(3,115,446)</u>	<u>(1,764,310)</u>	<u>44,405</u>
Total Net Assets	\$ 2,981,246	\$ 3,813,011	\$ 15,246,763	\$ 22,041,020	\$ 224,830

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Totals	Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport		Garage
Operating Revenues					
Garage Billings	\$ -	\$ -	\$ -	\$ -	\$ 1,944,297
Fuel and Oil Sales	-	362,216	-	362,216	2,460,075
Stormwater Utility Fees	3,293,905	-	-	3,293,905	-
Stormwater Utility Project Billings	419,782	-	-	419,782	-
FBO Ground Lease	-	-	40,681	40,681	-
FBO Concessions	-	-	7,816	7,816	-
FBO Fuel Commission	-	-	90,699	90,699	-
Flight Training Commissions	-	1,355	2,115	3,470	-
Concession Sales	-	5,378	-	5,378	-
Firefighting Fees	-	-	297,755	297,755	-
Landing Fees	-	13,567	151,128	164,695	-
Parking/Taxi Fees	-	-	43,420	43,420	-
Security Fees	-	-	30,643	30,643	-
Rentals	-	108,146	641,917	750,063	-
Hanger Rentals	-	-	122,720	122,720	-
TSA Revenues	-	-	133,223	133,223	-
Other Charges	-	29	6,569	6,598	-
Total Operating Revenues	<u>3,713,687</u>	<u>490,691</u>	<u>1,568,686</u>	<u>5,773,064</u>	<u>4,404,372</u>
Operating Expenses					
Costs of Sales and Services	-	265,442	-	265,442	2,324,240
Personnel	2,209,568	108,032	955,258	3,272,858	45,961
Purchased Services	696,837	82,133	493,778	1,272,748	2,017,146
Supplies	458,088	10,517	35,970	504,575	7,880
Capital Projects	8,157	-	-	8,157	-
Depreciation	305,335	53,005	546,107	904,447	25,377
Total Operating Expenses	<u>3,677,985</u>	<u>519,129</u>	<u>2,031,113</u>	<u>6,228,227</u>	<u>4,420,604</u>
Operating Income (Loss)	35,702	(28,438)	(462,427)	(455,163)	(16,232)
Non-Operating Revenues (Expenses)					
FAA Grants	-	861,102	760,055	1,621,157	-
SCAC Grants	-	-	123,584	123,584	-
Contribution from the Town of Hilton Head Island	-	-	118,154	118,154	-
Non-Operating Grant Expenses	-	(144,999)	(442,214)	(587,213)	-
Gain/(Loss) on Sale of Capital Assets	(227)	-	705	478	4,460
Interest Income	11,392	863	36,524	48,779	-
Interest Expense	-	-	(85,420)	(85,420)	-
Total Non-Operating Revenues (Expenses)	<u>11,165</u>	<u>716,966</u>	<u>511,388</u>	<u>1,239,519</u>	<u>4,460</u>
Transfers In	-	100,000	150,000	250,000	-
Change in Net Assets	46,867	788,528	198,961	1,034,356	(11,772)
Net Assets, Beginning	<u>2,934,379</u>	<u>3,024,483</u>	<u>15,047,802</u>	<u>21,006,664</u>	<u>236,602</u>
Net Assets, Ending	<u>\$ 2,981,246</u>	<u>\$ 3,813,011</u>	<u>\$ 15,246,763</u>	<u>\$ 22,041,020</u>	<u>\$ 224,830</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$ 3,589,494	\$ 387,265	\$ 1,140,125	\$ 5,116,884	\$ 4,424,816
Cash Paid to Employees	(2,090,154)	(103,603)	(909,783)	(3,103,540)	(47,575)
Cash Paid to Suppliers	<u>(1,141,848)</u>	<u>(113,243)</u>	<u>(336,426)</u>	<u>(1,591,517)</u>	<u>(4,056,909)</u>
Total Provided By (Used For) Operating Activities	357,492	170,419	(106,084)	421,827	320,332
Cash Flows from Noncapital Financing Activities:					
FAA Grants	-	137,749	420,103	557,852	-
Non-Operating Grant Expenses	<u>-</u>	<u>(144,999)</u>	<u>(442,214)</u>	<u>(587,213)</u>	<u>-</u>
Total Used For Noncapital Financing Activities	-	(7,250)	(22,111)	(29,361)	-
Cash Flows from Capital and Related Financing Activities:					
FAA Grants	-	723,353	339,952	1,063,305	-
SCAC Grants	-	-	123,584	123,584	-
Contribution from the Town of Hilton Head Island	-	-	118,154	118,154	-
Transfers from General Fund	-	100,000	150,000	250,000	-
(Increase)/Decrease in Advances from Hilton Head Airport	-	(240,000)	240,000	-	-
Proceeds from Sale of Capital Assets	10,403	-	705	11,108	4,460
Purchase of Capital Assets	(144,665)	(747,385)	(754,189)	(1,646,239)	-
Principal Payment on Debt	-	-	(41,115)	(41,115)	-
Interest Paid on Debt	<u>-</u>	<u>-</u>	<u>(85,420)</u>	<u>(85,420)</u>	<u>-</u>
Total Provided By (Used For) Capital and Related Activities	<u>(134,262)</u>	<u>(164,032)</u>	<u>91,671</u>	<u>(206,623)</u>	<u>4,460</u>
Cash Flows from Investing Activities:					
Interest Earned	<u>11,392</u>	<u>863</u>	<u>36,524</u>	<u>48,779</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	234,622	-	-	234,622	324,792
Cash and Cash Equivalents, July 1, 2009	<u>1,642,458</u>	<u>372</u>	<u>200</u>	<u>1,643,030</u>	<u>14,653</u>
Cash and Cash Equivalents, June 30, 2010	<u>\$ 1,877,080</u>	<u>\$ 372</u>	<u>\$ 200</u>	<u>\$ 1,877,652</u>	<u>\$ 339,445</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 35,702	\$ (28,438)	\$ (462,427)	\$ (455,163)	\$ (16,232)
Adjustments to Reconcile:					
Depreciation	305,335	53,005	546,107	904,447	25,377
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(124,193)	(103,426)	(428,561)	(656,180)	20,444
(Increase) Decrease in Inventories	(21,869)	38	-	(21,831)	46,727
(Increase) Decrease in Other Current Assets	(653)	(1,325)	(88)	(2,066)	-
Increase (Decrease) in Accounts Payable	43,756	246,136	193,410	483,302	245,630
Increase (Decrease) in Accrued Payroll	369	28	1,405	1,802	(1,610)
Increase (Decrease) in Accrued Compensated Absences	5,107	464	763	6,334	(4)
Increase (Decrease) in Net Other Postemployment Benefits Obligation	113,938	3,937	43,307	161,182	-
	16,455	145,852	(189,764)	(27,457)	311,187
Net Cash Flow from Operating Activities	\$ 357,492	\$ 170,419	\$ (106,084)	\$ 421,827	\$ 320,332

Mr. Andres concluded by stating they have gone almost full circle on the budget initiatives and the level of success has been poor. He encouraged the Board members to make further suggestions to enhance revenues.

CONTINUATION OF PUBLIC COMMENTS

1. Councilman Rodman – Councilman Rodman stated County Council did pass the Airports Board recommendation to reduce the assessment ratio by 42% for aircraft taxed in Beaufort County. He also stated that he has always believed that the Airport is, in fact, cash positive. He said that there are two things that are typically done in business. Councilman Rodman explained that one is a balance sheet and Mr. Andres has already pointed out that has increased \$15,000,000 to \$18,000,000 over the years. He stated the other item is a calculation called an "earnings before interest tax depreciation and amortization" which is actually a cash flow calculation which he stated is positive. Councilman Rodman stated that in regards to the point made by Mr. Mazzei and Mr. Kerr on the concept to building out 5,400' he felt the Board did not have to have a special meeting. He did suggest providing a not to exceed one page letter to the County Council that highlights this point.

It was moved by Mr. Mazzei, seconded by Mr. Kerr, that if the determination is made to select the two stage runway extension that the Chairman forward a letter to County Council recommending that they include incorporation of the remaining 400' at the time of the first stage and mark it for 5,000'. The vote was: FOR – Mr. Mazzei, Mr. Jorgensen, Mr. Dopp, Mr. Buchanan, Mr. Sanders, Mr. Law, Mr. Kerr, Mr. Gilbert. AGAINST – Mr. Zimmerman. ABSENT – Mr. Newman. The motion passed.

FUTURE MEETINGS

The next meeting of the Airports Board will be held on Thursday, November 18, 2010 at 1:30 PM in the County Council Chambers of the Beaufort County Government Center.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at approximately 2:45 PM.