



BEAUFORT COUNTY, SOUTH CAROLINA

Beaufort County Airports

Lady's Island Airport

Hilton Head Island Airport

QUARTERLY FINANCIAL REPORT

For the Six Months of Fiscal Year 2015 Ending

December 31, 2014

Gary Kubic, County Administrator

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BEAUFORT COUNTY, SOUTH CAROLINA
AIRPORTS FINANCIAL SUMMARY AND ANALYSIS
FOR THE FISCAL YEAR TO DATE ENDING DECEMBER 31, 2014

A summary of the financial statements for Beaufort County Airport Funds for the fiscal year to date ending December 31, 2014, (preliminary and unaudited) is included in this document. This summary is intended to provide information regarding the Beaufort County Airport's current financial condition.

Lady's Island Airport

- As of December 31, 2014, receivables have decreased approximately \$32 thousand or 63% as compared to June 30, 2014. This is mainly due to State Grants that have been received in the beginning of Fiscal Year 2015. Receivables consist of \$9 thousand in operating receivables and \$9 thousand in federal grant receivables.
- Accounts payable has decreased approximately \$12 thousand as compared to June 30, 2014.
- Due to General Fund has increased approximately \$34 thousand or 10% as compared to June 30, 2014. This is mainly due to tree removal/legal expenditures at the Lady's Island Airport that will be requested within a future grant.
- Operating revenues are 43% of the annual budget and approximately \$13 thousand or 5% more than the same period in fiscal year 2014. Operating expenses are 50% of the annual budget and approximately \$20 thousand or 7% more than the same period in fiscal year 2014.

Hilton Head Island Airport

- As of December 31, 2014, receivables have increased approximately \$263 thousand or 22% as compared to June 30, 2014. This is mainly due to Federal Aviation Administration and State Grants that have been submitted for reimbursement. Receivables consist of \$253 thousand in operating receivables, \$24 thousand in Passenger Facility Charge receivables, \$1.2 million in federal grant receivables and \$13 thousand in state grant receivables.
- Accounts payable has increased approximately \$50 thousand or 10% as compared to June 30, 2014. This is mainly due to capital expenses that are being funded via grants and bond proceeds.
- Due to General Fund has decreased \$1.2 million or 100% as compared to June 30, 2014. This is due to timing of capital expenses and the receipt of grant reimbursements and bond proceeds. The bond proceeds were received in November 2014 and have provided a positive cash balance for the Hilton Head Island Airport.
- The Note Payable, also known as the Hangar Note, is interest bearing at a rate of 2.07% with a maturity date of June 30, 2032. This note payable has decreased approximately \$33 thousand or 23% as compared to June 30, 2014. As of December 31, 2014, this Hangar Note had a principal balance of \$1,417,183.
- During fiscal year 2015, a new note in the amount of \$2,260,000 was established in conjunction with the new bond issue. The new note is interest bearing at a rate of 2.94% with a maturity date of December 31, 2034. As of December 31, 2014, this new debt had a principal balance of \$2,239,486.
- Operating revenues are 46% of the annual budget and approximately \$2 thousand or less than 1% greater than the same period in fiscal year 2014. Operating expenses are 48% of the annual budget and approximately \$12 thousand or 1% more than the same period in fiscal year 2014.

UNAUDITED AND PRELIMINARY
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
Lady's Island Airport

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments with Trustee	\$ 250	\$ 372
Receivables, Net	18,024	37,444
Inventories	<u>67,234</u>	<u>64,223</u>
Total Current Assets	85,508	102,039
Capital Assets	4,798,267	4,798,267
Accumulated Depreciation	<u>(905,463)</u>	<u>(844,002)</u>
	3,892,804	3,954,265
Total Assets	3,978,312	4,056,304
 <u>LIABILITIES</u>		
Liabilities		
Account Payable	10,023	46,892
Accrued Payroll	2,571	4,226
Accrued Compensated Absences	573	573
Due to General Fund	<u>381,690</u>	<u>330,404</u>
Total Current Liabilities	394,857	382,095
Long Term Liabilities		
Accrued Compensated Absences	4,283	4,412
Net Other Postemployment		
Benefits Obligation	<u>41,268</u>	<u>32,356</u>
Total Long Term Liabilities	45,551	36,768
Total Liabilities	440,408	418,863
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net		
of Related Debt	3,892,804	3,954,265
Unrestricted (Deficit)	<u>(354,900)</u>	<u>(316,824)</u>
Total Net Assets	<u>\$ 3,537,904</u>	<u>\$ 3,637,441</u>

UNAUDITED AND PRELIMINARY
 BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Lady's Island Airport
 For the Period Ended December 31, 2014

	Budget FY 2015	December 31, 2014	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 497,255	\$ 206,691	\$ (290,564)	42%
Flight Training Commissions	2,000	65	(1,935)	3%
Concession Sales	6,000	1,945	(4,055)	32%
Ramp Fees	14,000	4,860	(9,140)	35%
Rentals	131,616	64,496	(67,120)	49%
Other Charges	500	-	(500)	0%
Total Operating Revenues	<u>651,371</u>	<u>278,057</u>	<u>(373,314)</u>	<u>43%</u>
Operating Expenses				
Costs of Sales and Services	302,000	152,540	(149,460)	51%
Personnel	150,956	65,602	(85,354)	43%
Purchased Services	126,815	48,105	(78,710)	38%
Supplies	11,600	4,009	(7,591)	35%
Non-Grant Capital Expenses	-	26,475	26,475	100%
Depreciation	60,000	27,060	(32,940)	45%
Total Operating Expenses	<u>651,371</u>	<u>323,791</u>	<u>(327,580)</u>	<u>50%</u>
Operating Income (Loss)	-	(45,734)	(45,734)	
Non-Operating Revenues (Expenses)				
Non-Operating Grant Expenses	-	(43,644)	(43,644)	100%
Total Non-Operating Revenues (Expenses)	-	(43,644)	(43,644)	100%
Change in Net Assets	-	(89,378)	(89,378)	
Net Assets, Beginning	<u>3,627,282</u>	<u>3,627,282</u>		
Net Assets, Ending	<u>\$ 3,627,282</u>	<u>\$ 3,537,904</u>	<u>\$ (89,378)</u>	<u>98%</u>

UNAUDITED AND PRELIMINARY
 BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Lady's Island Airport
 For the Period Ended December 31, 2013

	Budget FY 2014	December 31, 2013	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 522,414	\$ 193,467	\$ (328,947)	37%
Flight Training Commissions	1,080	569	(511)	53%
Concession Sales	3,600	1,208	(2,392)	34%
Ramp Fees	12,480	5,330	(7,150)	43%
Rentals	123,756	64,595	(59,161)	52%
Other Charges	<u>100</u>	<u>-</u>	<u>(100)</u>	<u>0%</u>
Total Operating Revenues	<u>663,430</u>	<u>265,169</u>	<u>(398,261)</u>	<u>40%</u>
Operating Expenses				
Costs of Sales and Services	305,000	161,059	(143,941)	53%
Personnel	146,243	62,819	(83,424)	43%
Purchased Services	131,937	48,686	(83,251)	37%
Supplies	10,250	4,142	(6,108)	40%
Non-Grant Capital Expenses	10,000	160	(9,840)	2%
Depreciation	<u>60,000</u>	<u>27,060</u>	<u>(32,940)</u>	<u>45%</u>
Total Operating Expenses	<u>663,430</u>	<u>303,926</u>	<u>(359,504)</u>	<u>46%</u>
Operating Income (Loss)	-	(38,757)	(38,757)	
Non-Operating Revenues (Expenses)				
Non-Operating Grant Expenses	<u>-</u>	<u>(1,968)</u>	<u>(1,968)</u>	<u>100%</u>
Total Non-Operating Revenues	<u>-</u>	<u>(1,968)</u>	<u>(1,968)</u>	<u>100%</u>
Change in Net Assets	-	(40,725)	(40,725)	
Net Assets, Beginning	<u>3,678,166</u>	<u>3,678,166</u>		
Net Assets, Ending	<u>\$ 3,678,166</u>	<u>\$ 3,637,441</u>	<u>\$ (40,725)</u>	<u>99%</u>

PRELIMINARY AND UNAUDITED
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
Lady's Island Airport
For the fiscal year to date as of December 31, 2014

Change in Net Assets	\$ (89,378)
Plus Depreciation	<u>27,060</u>
Change in unrestricted net assets	(62,318)
 Cash provided by (used for) operating activities:	
Decrease in Receivables	31,771
Decrease in Prepaid Expenses	7,115
Decrease in Accounts Payable	(12,557)
Decrease in Accrued Payroll	(1,281)
Increase in Due to General Fund	34,270
Increase in OPEB	<u>3,000</u>
	62,318
Change in cash	-
Beginning Cash	<u>250</u>
Ending Cash	<u>\$ 250</u>

PRELIMINARY AND UNAUDITED
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
Hilton Head Island Airport

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments with Trustee	\$ 2,059,794	\$ 200
Receivables, Net	1,482,287	530,048
Prepayments	<u>-</u>	<u>1,071</u>
Total Current Assets	3,542,081	531,319
Capital Assets	26,814,102	26,812,190
Accumulated Depreciation	<u>(8,498,625)</u>	<u>(7,946,149)</u>
	18,315,477	18,866,041
Total Assets	21,857,558	19,397,360
<u>LIABILITIES</u>		
Liabilities		
Account Payable	531,300	162,971
Accrued Payroll	25,741	37,637
Accrued Compensated Absences	3,300	3,300
Due to General Fund	-	1,032,284
Current Portion of Note Payable		
to Debt Service Fund	<u>151,507</u>	<u>66,542</u>
Total Current Liabilities	711,848	1,302,734
Long Term Liabilities		
Accrued Compensated Absences	41,854	25,395
Net Other Postemployment		
Benefits Obligation	373,171	310,786
Note Payable to Debt Service Fund	<u>3,505,162</u>	<u>1,417,183</u>
Total Long Term Liabilities	3,920,187	1,753,364
Total Liabilities	4,632,035	3,056,098
<u>NET ASSETS</u>		
Invested in Capital Assets, Net		
of Related Debt	18,315,477	18,866,041
Unrestricted (Deficit)	<u>(1,089,954)</u>	<u>(2,524,779)</u>
Total Net Assets	<u>\$ 17,225,523</u>	<u>\$ 16,341,262</u>

PRELIMINARY AND UNAUDITED
 BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Hilton Head Island Airport
 For the Period Ended December 31, 2014

	Budget FY 2015	December 31, 2014	Budget to Actual	Percent of Budget
Operating Revenues				
FBO Ground Lease	\$ 52,992	\$ 25,876	\$ (27,116)	49%
FBO Concessions	36,600	7,855	(28,745)	21%
FBO Fuel Commission	280,000	128,084	(151,916)	46%
Passenger Facility Charges	225,000	97,707	(127,293)	43%
Flight Training Commissions	2,500	786	(1,714)	31%
Firefighting Fees	255,100	127,572	(127,528)	50%
Landing Fees	105,000	48,986	(56,014)	47%
Parking/Taxi Fees	55,000	21,471	(33,529)	39%
Security Fees	27,000	13,294	(13,706)	49%
Rentals	618,694	296,797	(321,897)	48%
Hangar Rentals	191,310	96,516	(94,794)	50%
TSA Revenues	120,000	46,420	(73,580)	100%
Other Charges	<u>60,100</u>	<u>28,561</u>	<u>(31,539)</u>	<u>100%</u>
Total Operating Revenues	<u>2,029,296</u>	<u>939,925</u>	<u>(1,089,371)</u>	<u>46%</u>
Operating Expenses				
Personnel	1,019,163	542,286	(476,877)	53%
Purchased Services	467,843	193,077	(274,766)	41%
Supplies	84,360	37,269	(47,091)	44%
Depreciation	<u>600,000</u>	<u>277,530</u>	<u>(322,470)</u>	<u>46%</u>
Total Operating Expenses	<u>2,171,366</u>	<u>1,050,162</u>	<u>(1,121,204)</u>	<u>48%</u>
Operating Income (Loss)	(142,070)	(110,237)	31,833	
Non-Operating Revenues (Expenses)				
Bond Proceeds	-	2,260,000	2,260,000	100%
FAA Grants	3,000,000	742,859	(2,257,141)	25%
SCAC Grants	120,000	-	(120,000)	0%
Non-Operating Grant Expenses	(3,240,000)	(1,924,904)	1,315,096	59%
Interest Earned	-	172	172	100%
Interest Expense	<u>(29,508)</u>	<u>(31,539)</u>	<u>(2,031)</u>	<u>107%</u>
Total Non-Operating Revenues	<u>(149,508)</u>	<u>1,046,588</u>	<u>(1,063,904)</u>	<u>-700%</u>
Change in Net Assets	(291,578)	936,351	1,227,929	
Net Assets, Beginning	<u>16,289,172</u>	<u>16,289,172</u>		
Net Assets, Ending	<u>\$ 15,997,594</u>	<u>\$ 17,225,523</u>	<u>\$ 1,227,929</u>	<u>108%</u>

PRELIMINARY AND UNAUDITED
 BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Hilton Head Island Airport
 For the Period Ended December 31, 2013

	Budget FY 2014	December 31, 2013	Budget to Actual	Percent of Budget
Operating Revenues				
FBO Ground Lease	\$ 49,288	\$ 24,644	\$ (24,644)	50%
FBO Concessions	16,380	7,780	(8,600)	47%
FBO Fuel Commission	182,040	109,317	(72,723)	60%
Passenger Facility Charges	210,000	99,184	(110,816)	47%
Flight Training Commissions	1,668	144	(1,524)	100%
Firefighting Fees	255,144	127,572	(127,572)	50%
Landing Fees	121,476	52,067	(69,409)	43%
Parking/Taxi Fees	56,000	27,604	(28,396)	49%
Security Fees	26,588	13,294	(13,294)	50%
Rentals	522,118	301,884	(220,234)	58%
Hangar Rentals	184,307	88,827	(95,480)	48%
TSA Revenues	127,200	57,850	(69,350)	45%
Other Charges	<u>47,280</u>	<u>27,620</u>	<u>(19,660)</u>	<u>58%</u>
Total Operating Revenues	<u>1,799,489</u>	<u>937,787</u>	<u>(861,702)</u>	<u>52%</u>
Operating Expenses				
Personnel	962,068	498,513	(463,555)	52%
Purchased Services	500,501	238,647	(261,854)	48%
Supplies	62,800	21,513	(41,287)	34%
Depreciation	<u>600,000</u>	<u>279,850</u>	<u>(320,150)</u>	<u>47%</u>
Total Operating Expenses	<u>2,125,369</u>	<u>1,038,523</u>	<u>(1,086,846)</u>	<u>49%</u>
Operating Income (Loss)	(325,880)	(100,736)	225,144	31%
Non-Operating Revenues (Expenses)				
FAA Grants	5,833,020	125,794	(5,707,226)	2%
SCAC Grants	119,290	-	(119,290)	0%
Non-Operating Grant Expenses	(6,431,600)	(224,960)	6,206,640	3%
Gain/Loss on Sale of Capital Assets	-	5,799	5,799	100%
Interest Earned	3,888	97	(3,791)	2%
Interest Expense	<u>(76,379)</u>	<u>75,052</u>	<u>151,431</u>	<u>-98%</u>
Total Non-Operating Revenues	<u>(551,781)</u>	<u>(18,218)</u>	<u>533,563</u>	<u>3%</u>
Change in Net Assets	(877,661)	(118,954)	758,707	
Net Assets, Beginning	<u>16,460,216</u>	<u>16,460,216</u>		
Net Assets, Ending	<u>\$ 15,582,555</u>	<u>\$ 16,341,262</u>	<u>\$ 758,707</u>	<u>105%</u>

PRELIMINARY AND UNAUDITED
BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
Hilton Head Island Airport
For the fiscal year to date as of December 31, 2014

Change in Net Assets	\$ 936,351
Plus Depreciation	<u>277,530</u>
Change in unrestricted net assets	1,213,881
Cash provided by (used for) operating activities:	
Increase in Receivables	(263,441)
Decrease in Prepaid Expenses	38,306
Increase in Accounts Payable	52,042
Decrease in Accrued Payroll	(5,677)
Increase in OPEB	<u>27,000</u>
	(151,770)
Cash provided by (used for) financing activities:	
Decrease in Due to General Fund	(1,208,560)
Increase in Note Payable to Debt Service Fund	<u>2,206,043</u>
	997,483
Change in cash	2,059,594
Beginning Cash	<u>200</u>
Ending Cash	<u>\$ 2,059,794</u>