

Director Question / Staff Response
May 25, 2022, Regular Board Meeting

1. Page 8. Please explain the Hanger 1 Office & Hangar Reno expense of \$1,151,667. This is the capitalized cost of Hangar 1 renovation and the addition of the office. The project was final in 2021 and added to our fixed asset register.
2. Page 9. Fiscal year 2021 Highlights says Property Tax Revenues of \$7.0 million. However, the numbers actually say \$7.7 million, a significant difference. Pages 9-11 are a direct copy of our 2021 budget as we put into the audit each year, so these are just budget numbers.
3. Page 7: the first paragraph shows specific designations for the \$6.9 million unrestricted net assets. I looked through the 2021 budget to see where the numbers came from and cannot find them. Where else would these designations be found? These designations are agreed upon at the June meeting the following year so the % that the board agreed upon were applied to the 6.9M at 12/31/21.
4. Page 7 and Page 15: The Property Tax revenues don't match for 2020 or 2021. They also don't match the 2019 value in the older audit. The property tax revenue numbers in the "Statement of Revenues, Expenses & Changes in net position" are pulled directly from the audit reports and do match to the final 2020 audit which has 2020 & 2019.
5. Page 8: Equipment up \$2 million from 2019 to 2021. Please remind me what we purchased. Two Ford trucks, scissor lift, CAT motor grader, Generators, Larue Snowblower, Fuel Trailer, plow blades, mobile lift system, Tug. (2020-2021)
6. Page 8: Under Summary of Additions to Capital Assets, please explain why the CIP is (470,023). The overall assets are reduced by Construction in Progress as those items are not capitalized yet.
7. Page 23: Future annual principal payments in 2022 and 2023 include a vehicle costs \$390,972. What was purchased? This was the grader that we leased in May 2020. We pay a monthly payment of \$7,441.08.
8. Page 24: Required employee contribution rates and employer contribution rates are different than last year's audit. Why the change? CalPERS updates their employer contribution rates each year at the onset of their fiscal year (7/1) Some years they make changes to the employee rates but some years there are no changes there.
9. Page 25: The board authorized an additional payment of \$500,000 to pay down the pension liability. Pension contributions subsequent to measurement date is \$610,629. Why the difference? I will double check with the auditors, but this number should reflect both the ADP of \$500k and what we normally pay into CalPERS each pay period.
10. Page 29: Unrestricted Net Position has specificity to the dollar that hasn't been there before. Where do these numbers come from? See the board meeting from June 2021 where the unrestricted net asset categories are agreed upon. Once the audit is finished, I then take the percentages and then apply them to that number based on what was agreed to in that board meeting.
11. Page 30: Risk Management: What is OUR level of coverage requested? Only a \$5.4 million "change in net position" or that is what they have available after expense? This is all in relation to SDRMA, who

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we no longer use for workers comp-I have asked the auditors why this must stay in the report, but I will ask again. We get our Workers Comp from Aviation Marine for around \$55k per year in annual premium.

12. Page 31: Commitments and contingencies: is this the bond on the executive hangars? It is the loan for the Super executive hangars, it is not a bond, but I can add into that section that it is for the Super Exec Hangars.

13. Why are there 2 pages of Corrected Audit Adjustments? Is this normal? I didn't have last years' reports to note if there were similar adjustments, but has there been? What is the result of these adjustments? These are normal journal entries that are done while doing the audit in addition to any last-minute entries that needed to be done after the auditors already had the trial balance.

14. Have we been reimbursed for the flight training expenses of former employee, Mark Covey? Yes, paid April 29th, 2022

15. 04/07/2022 73133 Margaret Skillicorn Air Show PR \$2,456.25: Can get details on these expenditures from her? Yes, reviewing invoice and will bring to meeting Wednesday.

16. 73171 Hardy Bullock Garmin pilot planning subscription \$279.97. This amount is \$100 higher than the most expensive Garmin Pilot subscription, so I'm wondering if it's an error. \$200 two-year Garmin Subscription for Hardy, \$79.97 Jeppeson Database (Nav Plates for Instrument Flight Procedures.)

17. 04/28/2022 73199 Aramark Laundry. Shop Towels \$83.60. There are two identical charges here. Duplicates? Not duplicates, two different invoices on two different dates for likely the same amount of shop towels-there are usually two or three invoices per month usually the same amount just depends on delivery/order amounts.

18. TAB 11 - Runway 02/20 Design and Bidding: Can we get clarification as to what portion of this project will require the demolition of the building in which EAA currently resides, and by when that needs to be done? This building is an obstruction to the Runway Visibility Zone (RVZ). The reconstruction of 2-20 does not require the building to be moved as part of this design or reconstruction (it is not included in the approved environmental project scope; thus, we couldn't add it to the project without updating the environmental first). The EAA building would have to be addressed associated with the Taxiway G relocation/reconstruction (FY2026 – current AIP Plan).

19. Can we get an update on the proposed transient landing fee? Communication with community phase underway. Further update of communication plan to follow.