

Morehead-Rowan County Airport Board Meeting Agenda

Thursday, 27 March 2025 – 6:00 PM

Morehead-Rowan County Clyde A. Thomas Regional Airport

1800 Rodney Hitch Blvd., Morehead, Kentucky

- A. Call to Order
- B. Confirmation of a Quorum
- C. Recognition of Guests
- D. Approval of Minutes from the February Meeting
- E. Receive Financial Reports for February 2025
- F. Public Comment

G. Reports

- a. Marketing Update: Mr. Helton
- b. FBO Activity Report: Mr. Holley
- c. Garver Report: Mr. Adams
 - 1. Electrical/Radio Interference
 - 2. Apron Expansion Project
 - 3. AWOS Relocation Project
- d. Building and Grounds: Mr. Oliver
- e. Legal Report: Mr. Rogers
- f. Chair Report: Dr. Mattingly
- g. KBT Meeting Update: Mr. Helton

H. Old Business:

I. New Business:

- 1. Approval of KAA Membership Dues
- 2. Acceptance of FY24 Audit Report

J. Adjournment

Next Regularly Scheduled Meeting – 6:00 pm 25 April 2025

Morehead-Rowan County Airport Board Meeting
Meeting Minutes
February 27, 2025

Chairman Bruce Mattingly called the meeting to order at 6:00pm in the Airport conference room with board members David Perkins, Porter Dailey, Tom Fossett, Tim James, Stephen Click, and Ron Oliver. The member present via Zoom was Wes Holland. The members absent were Bob Helton and Shannon Murphy. The guest present via Zoom was Ryan Sisemore – Garver PE. The guests present were Jill Vice – CEO, AdVice Media; Earl Rogers – Attorney, Campbell, Rogers & Stacy, PLLC; Landon Ratcliff - FBO staff; Josh Clark – Clark Aviation/hangar tenant; Aaron Roberts – Clark Aviation/hangar tenant; Lee Shanklin – pilot; Rebekah Riley – pilot; and Barbara Marsh – Administrative Assistant to the Board.

Dr. Mattingly presented the Minutes of the November 2024 meeting. The motion to approve November 21, 2024, Special Meeting Minutes, was made by Mr. James, seconded by Mr. Oliver, and approved unanimously.

Dr. Mattingly presented the November and December 2024, and January 2025 financial reports consisting of Statements of Activity and Financial Position. The motion to approve the November and December 2024, and January 2025 financial reports was made by Mr. Holland, seconded by Mr. Oliver, and approved unanimously.

Public Comment

None.

Reports

A. Marketing Update: Ms. Jill Vice

Ms. Vice brought logo examples for review and comment. After discussion, Dr. Mattingly appointed Mr. Holland and Dr. Click to serve on a logo committee with Ms. Vice and report back at the next meeting. Ms. Vice will contact Mr. Roberts to discuss changing the name of the airport Facebook page.

B. FBO Report: Mr. Ratcliff reported on airport activities, maintenance and fuel.

1. Fuel Report January. 540 gallons AVGas 100LL; 1,507 gallons JETA.
2. Community Hangar/Tie Downs: Zane McGlade, Brandon Hamilton. Cass Blair purchased an airplane and has taken possession of the T-Hangar A-6 formerly occupied by Wings of Grace. Tie Downs: Charlie Hamilton, Johnnie Broughton, and Clark Aviation.
3. Residence Doublewide. David LeQuire has taken possession of the doublewide and has done a great job of getting and keeping it in a neat, livable condition.

4. Apron Expansion Ponding. We are still getting a fair amount of ponding around the new ramp area during rain events which are slow to dry up afterwards. Also, the drainage ditch seems to need yet more attention. We have relayed pictures to Mr. Oliver and Dr. Mattingly for their review.
5. Airfield Electrical Radio Interference. We are still encountering radio interference in the limited area of the taxiway, near the north end fuel farm, and various other locations. We received additional transformers (pallet) from ADB Monday, to be installed at the earliest convenience by ADB. We have also had no lighting outages since mid-January.
6. Rajant Internet System. The Rajant internet system continues to work very well, and our VoIP phone lines have been ported to our original numbers. We have removed all the Windstream equipment returning all (mailed) as of today.
7. AWOS. The AWOS dial-in reporting has been inoperable for several months now. We pointed this out to our tech again during his last service call and were told the problem was with the Windstream service line. Upon activation of the VoIP service, the system answers calls but never connects caller with information. We've since run a series of tests and now the tech says we have a bad modem. He advised that the part may be difficult to secure. After 3 weeks, we are now advised by the tech that AnyAWOS (weather nexus reporting system) discontinued our modem, no longer stocks our model, and is unable to secure a replacement. The replacement they now offer would also require replacement of the motherboard for compatibility. Estimated cost before labor is around \$3,500. He plans to come down next week to further check the system for a possible work-around.
8. Plow Truck Repairs. We are still awaiting the remaining parts for one plow skid shoe assembly from Viking. We were able to fabricate one complete cylinder and shoe from the old ones that will hold us over for the time being.
9. Landon Ratcliff. Mr. Ratcliff has successfully passed all tests and is now licensed as Airframe and Powerplant Mechanic (A & P), and soon to be an insured. Holley Aviation LLC will be bringing him under their insurance umbrella and will incorporate the services into Holley Aviation LLC. A portion of the community hangar will be dedicated to accommodating two to three airplanes for service at any given time. Mr. Riffle and Mr. Ratcliff will also continue working together on Mr. Riffle's clients' aircraft until his retirement. Mr. Ratcliff will continue to work toward gaining the Inspection Authorization ticket.
10. Leadership Academy. Mr. Ratcliff expressed appreciation for the sponsorship by the airport during the past year for the Chamber of Commerce Leadership Academy. "This has been a very educational as well as great opportunity to get to know a lot of different people and businesses and see how they all work together in the community. My group is currently discussing ideas for our community project which we are going to build to hopefully boost/help the community in a positive way."

C. Garver Report: Mr. Sisemore

1. Electrical/Radio Interference. One set of replacement transformers has been installed at no cost with Garver underwriting the cost of contractor installation. The location area stopped having interference after replacement. With this knowledge, it is Graver's intention to let ADB know that it appears the quality of the transformer production may have been compromised and request that all transformers need to be replaced.
2. Apron Expansion Project. Groundwork is left to be completed. Retainage of \$3,500 is being held in case the airport has to complete the work. Mr. Oliver reported that we may need to use rip rap in the drainage ditch and contend with a small amount of grass/debris removal from time to time.
3. AWOS Relocation Project. We are still waiting to hear from the KDA about funding. They are aware of how the relocation ultimately affects the hangar construction on that side of the apron.

Mr. Dailey reported that we now own the property for the AWOS Relocation. Tree removal will need to be done on the property. We must avoid the roosting season of the Indiana Bat which is during the late spring-summer-fall. Removal needs to be completed during late winter – March.

D. Building and Grounds: Mr. Oliver

Terminal Building/Community Hangar. Fleming Mason Energy recorded a large increase for January 2025, 11,203 KWH, \$1250.75 (as compared with January 2024, 6969 KWH, \$741.65). FME recommended a service company HVAC check. Service of Morehead added refrigerant and indicated there may be an insulation issue. Mr. Oliver reported that ceiling batting insulation was moved around when updated lighting was installed and may contribute to the issue. In addition, the community hangar overhead door was open intermittently as repairs on the plow truck blade were performed thereby exposing the hangar/garage area to cold air. An energy audit will be performed by Michael Parker of FME on March 6, 2025.

E. Legal Report: Mr. Rogers

None.

F. Chair Report. Dr. Mattingly

Frontier Housing Bridge Loan for Apron Expansion Project. The BIL (Bilateral Infrastructure Law) grant funds were received this week and the loan which was obtained from Frontier Housing has been paid in full. We also borrowed from two airports' AIP (Airport Improvement Plan) funds, these amounts will be repaid from our AIP \$150,000 allocations for the next year or two.

G. KBT Meeting Update. Mr. Helton

None.

Old Business

None.

A motion was made to go into the Executive Session at 7:16pm by Mr. James, seconded by Mr. Oliver, and approved unanimously. The Executive Session ended at 7:36pm.

New Business

Illegal Subletting A5. Dr. Mattingly reported illegal subletting in hangar A5. Mr. Ron Beller has allowed a plane registered with K & M Aviation LLC to be housed in hangar A5. When questioned, Mr. Beller told us he originally owned the plane. The plane has been removed from the hangar. According to the lease agreement, subletting is not allowed. The motion to evict Mr. Beller from hangar A5 with a 30-day notice was made by Mr. Oliver, seconded by Mr. Dailey, and approved unanimously.

Adjournment

The meeting was adjourned at 7:39pm.

**MOREHEAD – ROWAN COUNTY
AIRPORT BOARD
Morehead, Kentucky**

**Audited Financial Statements
For the year ended June 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
<i>Financial Statements</i>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Schedule of Functional Expenses	6
Notes to the Financial Statements	7-9
<i>Supplementary Information</i>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	10-11
Schedule of Expenditures of Federal Awards	12
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	13-14
Schedule of Findings and Questioned Costs	15



Certified Public Accountants

219 Young Lane, Suite 2 | PO Box 449

Mount Sterling, Kentucky 40353

(859) 498-9915

www.TheLaneCPA.com

John T. Lane, CPA

Joel D. Lane, CPA

American Institute of CPAs

Kentucky Society of CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board Members
Morehead-Rowan County Airport Board of Directors
Morehead, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Morehead - Rowan County Airport Board as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Morehead - Rowan County Airport Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Morehead - Rowan County Airport Board, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards and issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Morehead - Rowan County Airport Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehead - Rowan County Airport Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morehead - Rowan County Airport Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehead - Rowan County Airport Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Other Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

As discussed in the notes to the financial statements, accounting principles generally accepted in the United States of America require the Company to record leases in accordance with requirements primarily codified in FASB Accounting Standards Codification section 842 which generally require that all leases are classified as either an operating or financing type lease and that a right of use asset and lease liability is recorded on the balance sheet. Management has not applied this principle of lease classification and, therefore, information about the nature, amount, timing and uncertainty of leases, right-of-use assets and lease liabilities, and cash flows arising from leases may be misstated. The effects of this departure from accounting principles generally accepted in the United States of America on financial position, results of operations, and cash flows have not been determined.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the Morehead - Rowan County Airport Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Morehead - Rowan County Airport Board's internal control over financial reporting and compliance.

Lane & Company LLC

Mount Sterling, Kentucky

December 16, 2024

This report contains 15 pages.

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 90,661
Total Current Assets	<u>90,661</u>

NONCURRENT ASSETS

Non-depreciable capital assets	4,451,447
Depreciable capital assets	22,565,598
Bond issuance costs	15,107
Accumulated depreciation/amortization	<u>(8,065,681)</u>
Total Noncurrent Assets	<u>18,966,471</u>
TOTAL ASSETS	<u><u>\$ 19,057,132</u></u>

LIABILITIES

CURRENT LIABILITIES

Current portion of long-term debt	\$ 121,300
Total Current Liabilities	<u>121,300</u>
TOTAL LIABILITIES	<u>121,300</u>

NET ASSETS

Net assets without donor restrictions	<u>18,935,832</u>
TOTAL NET ASSETS	<u><u>\$ 18,935,832</u></u>

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

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

UNRESTRICTED NET ASSETS

Unrestricted Revenue and Gains

Rentals	\$ 58,038
City contributions	45,000
County contributions	53,000
Federal grants	1,242,496
State grants	627,401
Interest income	9,577
Miscellaneous income	<u>2,838</u>

Total Revenues	<u>2,038,350</u>
----------------	------------------

Total Unrestricted Support, Revenue and Reclassifications	<u>2,038,350</u>
---	------------------

Expenses

Program Services	
Contract services	51,811
Grounds & facility support	4,292
Fuel purchases	<u>2,709</u>
Total Program Services	<u>58,812</u>

Management and General	
Depreciation/amortization	659,368
General administration	4,684
Insurance	17,844
Utilities	<u>14,932</u>
Total Management and General	<u>696,828</u>

Total Expenses	<u>755,640</u>
----------------	----------------

Change in Net Assets	1,282,710
-----------------------------	-----------

Net Assets, beginning of year	18,002,745
-------------------------------	------------

Prior period adjustment	<u>(349,624)</u>
-------------------------	------------------

Net Assets, end of year	<u><u>\$ 18,935,831</u></u>
-------------------------	-----------------------------

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

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

OPERATING ACTIVITIES

Cash received from:	
Rent income	\$ 58,038
Miscellaneous	2,838
Local support	98,000
Federal and state support	1,869,897
Cash paid to/for:	
Payments to suppliers & providers of goods & services	(58,812)
Other payments	<u>(37,460)</u>
Net cash provided / (used) by operating activities	<u>1,932,501</u>

Cash Flows From Investing Activities

Interest earned	<u>9,577</u>
-----------------	--------------

Cash Flows from Capital And Financing Activities

Loan proceeds	121,300
Purchase of capital assets	<u>(2,508,231)</u>
Net cash provided/(used) by capital and financing activities	<u>(2,386,931)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(444,853)
Cash and Cash Equivalents, Beginning of Year	<u>535,514</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 90,661</u></u>

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

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

Description	Program Services	Management & General	Total Expenses
Contract services	\$ 51,811	\$ -	\$ 51,811
Grounds and facility support	4,292	-	4,292
Insurance	-	17,844	17,844
Utilities	-	14,932	14,932
General administration	-	4,684	4,684
Fuel purchases	2,709	-	2,709
Depreciation	-	659,368	659,368
Total Expenses	\$ 58,812	\$ 696,828	\$ 755,640
Percent of Total Expenses	7.78%	92.22%	100.00%

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

MOREHEAD-ROWAN COUNTY AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Organization

The Morehead-Rowan County Airport Board was created in April of 1999 by the City of Morehead and County of Rowan through a joint ordinance and the provisions now established by KRS 183.132. The Board's membership is comprised of ten members. The Mayor of Morehead appoints five members and the Rowan County Judge-Executive appoints five members. The purpose of the Board is to manage the general business affairs and activities of the new Morehead-Rowan County, Clyde A. Thomas, Regional Airport in addition to overseeing the construction projects.

The Board's basic financial statements include the accounts of all Board operations. The criteria for including organizations as component units within the Board's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Standards, include whether:

- the Board is legally separate (can sue and be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose financial benefit/burden on the Board
- there is fiscal dependency by the organization on the Board

Based on the aforementioned criteria, Morehead-Rowan County Airport Board has no component units. The Board's basic financial statements do not include the operations of the organizing city and county, because none of the criteria for inclusion set forth in GASB Statement No. 14 have been met.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The account classification structures used by the Board conform to accounting principles generally accepted in the United States of America consistent with business-type enterprise fund accounting. The accounting records of the Board are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized when incurred, regardless of when paid.

B. Revenue Recognition

The Board's major sources of revenue are grants. Grant revenue is recognized when eligible program expenditures are incurred in accordance with program guidelines.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as needed.

C. Net Position and Fund Balance

Net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the Board (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. All other net position is considered unrestricted.

Any reservations of fund balance are established to satisfy legal covenants that require that a portion of the fund balance be segregated.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

E. Capital Assets

Assets are capitalized at cost and updated for additions and retirements during the year. The Board maintains a capitalization threshold of \$1,000. Public domain (infrastructure) fixed assets consist of certain improvements, other than buildings, including drainage, roads, and other land improvements, and are capitalized along with other capital assets.

All reported capital assets, other than land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	25-40 years
Equipment	5-10 years
Land improvements	5-20 years

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Board. For the Board, those revenues are primarily operating grants and administrative fees to cover operational expenses and rent income. All other revenues are non-operating. Operating expenses can be tied specifically to the Board's ongoing operations. Other expenses are non-operating.

G. Leases

The entity has obligations as a lessee for office space, computers, and other office equipment with initial noncancelable terms in excess of one year. The entity classified these leases as operating leases. These leases generally contain renewal options for periods ranging from two to five years. Because the entity is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments. The entity's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of the entity's leases, variable payments.

Note 3 - Cash in Bank

The funds of the Board must be deposited and invested under the terms of a contract. The depository bank places approved pledged securities for safekeeping and trust with the Board's agent bank in an amount sufficient to protect Board funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

On June 30, 2024, the carrying amount of the Board's cash and cash equivalents was \$90,661 and the bank balances totaled \$101,115. All balances as of June 30, 2024 were covered by FDIC insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Note 4 - Taxes

The Board is exempt from federal income taxes because it is considered a unit of local government. The Board is exempt from Kentucky income and property taxes pursuant to KRS 154.50-343.

Note 5. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board provides for risk financing by purchasing coverage from commercial insurance companies.

Note 6. Prior Period Adjustment

Capital assets purchased during fiscal year 2023	\$ 235,617
Depreciation on capital assets during fiscal year 2023	<u>(585,241)</u>
Total	<u>\$ (349,624)</u>

Note 7 - Capital Assets

A summary of changes in capital assets follows:

<u>Description</u>	<u>Balance, July 1, 2022</u>	<u>Adjustments/ Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2024</u>
Land, non-depreciable	\$ 1,984,874	\$ 2,396	\$ -	\$ 1,987,270
Construction in progress, non-depreciable	2,195,953	2,464,177	2,195,953	2,464,177
Building & equipment	2,381,636	114,667	-	2,496,303
Land improvements	17,710,734	2,358,561	-	20,069,295
Bond issuance costs	15,107	-	-	15,107
Total	<u>\$ 24,288,304</u>	<u>\$ 4,939,801</u>	<u>\$ 2,195,953</u>	<u>\$ 27,032,152</u>
Accumulated depreciation	<u>\$ 6,821,072</u>	<u>\$ 1,244,609</u>	<u>\$ -</u>	<u>\$ 8,065,681</u>
Capital assets, net of accumulated depreciation	<u>\$ 17,467,232</u>			<u>\$ 18,966,471</u>

Note 8. Long-Term Debt

On September 15, 2023, the Board entered into a financing arrangement with Frontier Nursing to support the expansion of the airport. This airport expansion will include improvements to the land to accommodate new hangars for interested corporate entities. The loan amount was \$300,000, and the term was twenty-four months with 6% interest. The Board is to make monthly payments of accrued interest until it receives the Bipartisan Infrastructure Law grant funding from the Federal Aviation Administration "FAA". Within thirty days of receipt of the FAA grant, the Board must pay 100% of the principal. The Airport is expected to receive the grant from the FAA no later than June 30, 2025 so the entire loan balance at fiscal year end is listed as current. The balance at the end of the year was \$121,300.

Note 9. Subsequent Events

The Board has evaluated subsequent events through December 16, 2024, and that is the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



Certified Public Accountants

219 Young Lane, Suite 2 | PO Box 449

Mount Sterling, Kentucky 40353

(859) 498-9915

www.TheLaneCPA.com

John T. Lane, CPA

Joel D. Lane, CPA

American Institute of CPAs

Kentucky Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members
Morehead-Rowan County Airport Board
Morehead, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Morehead - Rowan County Airport Board, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Morehead - Rowan County Airport Board's basic financial statements, and have issued our report thereon dated December 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morehead - Rowan County Airport Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Morehead - Rowan County Airport Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Morehead - Rowan County Airport Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morehead - Rowan County Airport Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lane & Company LLC

Mount Sterling, Kentucky

December 16, 2024

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2024

<u>Program Title</u>	<u>Federal ALN#</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation Federal Aviation Administration Direct Program Airport Improvement Program	20.106	<u>\$ 1,242,496</u>

Notes to Schedule of Expenditures of Federal Awards

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Morehead - Rowan County Airport Board ("Board"), under programs of the federal government for the year ended June 30, 2024, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Board's federal award program and does present transactions that would be included in financial statements of the Board presented on the accrual basis of accounting as contemplated by generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited to reimbursement.

NOTE C – INDIRECT COST RATE

The Board elected not to use the 10% de minimis cost rate allowed under Uniform Guidance.



John T. Lane, CPA
Joel D. Lane, CPA

219 Young Lane, Suite 2
Mount Sterling, Kentucky 40353
(859) 498-9915
www.TheLaneCPA.com

American Institute of CPAs
Kentucky Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board Members
Morehead - Rowan County Airport Board
Morehead, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Morehead - Rowan County Airport Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morehead - Rowan County Airport Board's major federal programs for the year ended June 30, 2024. Morehead - Rowan County Airport Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Morehead - Rowan County Airport Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit in compliance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Morehead - Rowan County Airport Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Morehead - Rowan County Airport Board's compliance with the compliance requirements referred to above.

Management's Responsibility for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Morehead - Rowan County Airport Board's federal programs. Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Morehead - Rowan County Airport Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Morehead - Rowan County Airport Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Morehead - Rowan County Airport Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Morehead - Rowan County Airport Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Morehead - Rowan County Airport Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lane & Company LLC

Mount Sterling, Kentucky

December 16, 2024

MOREHEAD - ROWAN COUNTY AIRPORT BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes ☒ no

Significant deficiency(ies) identified?

_____ yes ☒ no

Internal control over compliance:

Material weakness(es) identified?

_____ yes ☒ no

Significant deficiency(ies) identified?

_____ yes ☒ no

Noncompliance material to financial statements noted?

_____ yes ☒ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes ☒ no

Significant deficiency(ies) identified?

_____ yes ☒ no

Type of auditor's report issued on compliance for major programs:

unmodified

Any audit findings disclosed that are related to major programs that
are required to be reported in accordance with *Uniform Guidance*?

_____ yes ☒ no

Identification of Major Programs

ALN Number(s)

20.106

Name of Federal Program(s)

Airport Improvement Program

Miscellaneous

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes ☒ no

B. Financial Statement Findings

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

C. Federal Award Findings & Questioned Costs

None

Morehead-Rowan County Airport Energy Audit



Josh Littrell, CEM

March 6, 2025

Introduction:

On March 6th, 2025, a walk-through energy audit was performed on the office and main hanger at the Morehead-Rowan County Airport (MRCA), situated at 1800 Rodney Hitch Blvd., Morehead, KY 40351. MRCA requested the energy audit in an effort to lower their energy costs. The purpose of this audit is to provide recommendations for Energy Savings Opportunities (ESOs) that will create direct energy savings for MRCA.

MRCA purchases electric energy from Fleming-Mason Energy under the Residential and Small Power Rate. The Residential and Small Power rate has a monthly consumer charge of \$19.00. The energy charge per kWh is \$.09750.

HVAC:

The higher energy usage that MRCA experiences during the winter months is a direct result of the heat pump having to supplement itself with auxiliary heat (also referred to as “strip heat”). Auxiliary heat is a very expensive method of heating compared to the heat pump. Determining why the auxiliary heat is running so much is key to lowering MRCA’s energy costs.

As part of the walkthrough energy audit, temperature readings of the heat pump and amperage draws were taken. As seen by your HVAC contractor, the heat pump itself is healthy. However, there is a major ductwork issue that's causing the unit to frequently activate auxiliary heat.

It is important to explain the original design to the HVAC in order to understand why the current configuration is causing auxiliary heat to operate. Typically, the ductwork for an HVAC system would be physically ducted for both the supply and the cold air return sides of the system. The designer of this building decided not to directly duct the cold air return side. Instead, the idea was to use the entire attic space as a common return for the system and install open bypass vents in a ceiling tile of each room. Essentially, the entire attic is the return ductwork. In theory, when the heat pump kicks on, the fan depressurizes the attic space which then pulls air from the bypass vents in the ceiling and thus creates a return air path from the heated space below to the unit. This system can work, but it requires that the exterior of the attic space be properly insulated and air sealed on the roof deck, at the Gable ends, and on any wall connected to the attic. At construction, the walls and the roof deck were insulated with a fiberglass blanket. This style of insulation is not ideal but could work if all edges of the insulation are taped and sealed to be airtight. Unfortunately, that is not case for the attic of MRCA. There are many open edges of fiberglass insulation and areas that are not providing an adequate air seal to the outside.



Figure 1. Example of breaks in the air barrier of the shell of the building.

To summarize, when the heat pump has a call for heat, the system is inadvertently pulling in outside air because there are air leaks in the shell of the building. As a result, the temperature of the attic is much cooler than it should be and the heat pump is working much harder to heat that cooler air than it would be if it was returning air directly from the heated space below. For example, on March 6th, it was 34° outside. The temperature of the attic was 51 degrees. the heat pump was at an extreme disadvantage trying to heat up 51° air when it should have been pulling back 65° air from the occupied space below. This is the culprit of MRCA's auxiliary heat issue. Below are two options that MRCA should consider to resolve the issue.

ESO's:

- Option #1 Encapsulate the attic with spray foam-
Spray foam insulation has an advantage for this application because it does two jobs at once. It creates an air seal and provides an insulation value. One approach that MRCA could consider is to have a spray foam contractor properly encapsulate the attic space overhead with enough spray foam (either closed or open cell) to create an air seal and achieve an R-value of R-30. This method will require the removal of the existing fiberglass blanket. Also, if this method is chosen, the spray foam should come down and create an air seal between the attic exterior and the top of the sheetrock for the exterior walls. Spraying over the top of all of the dead wall cavities that create columns in the office below is also imperative.
- Option #2- The second option that MRCA has is to directly duct the cold air return side of the heat pump to the occupied/heated space below. This method does not address the

air leaks in the fiberglass blanket on the shell of the attic space, but it does ensure that the heat pump will pull it's return air directly from the heated space.

If this method is chosen, MRCA should also make an effort to improve the insulation on top of the crop ceiling tiles. Much of this insulation is improperly installed and needs to be moved around so that it is down in contact with the back of the ceiling tile. As is, much of this insulation is out of place or missing.

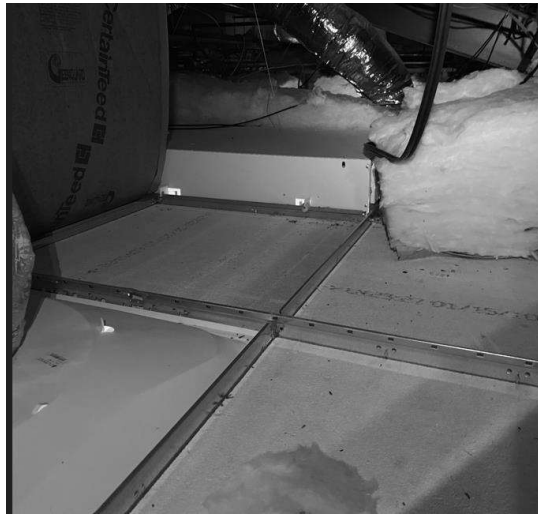


Figure 2. Example of missing and improperly installed insulation.

Decision makers should consider option 1 as the most overall energy efficient option, but it will come with a greater cost. Option 2, while not as energy efficient, will still provide a considerable reduction in energy costs.

Lighting:

The majority of lighting at MRCA has been converted to LED.

LED lighting now dominates the lighting market and has become the “go to” fixture of choice for almost all building types and applications. Not only do they use significantly less energy (often 60% less), LED's also have a significantly longer life. Longer lifespan reduces maintenance costs and occupants often favor the light quality from LED lighting.

Additional Benefits to LED lighting-

- LEDs last 3 to 5 times as long as Fluorescent or HID fixtures
- LED lumen degradation rate is 3 to 5 times slower than that of HID and fluorescent fixtures
- LEDs don't need to be specially recycled when they are disposed as opposed to fluorescent lights which contain mercury
- More advanced LED fixtures can have features such as dimming and color tuning

- In buildings where LED upgrades have taken place, employees have complimented the lighting and report improved mood and productivity

ESO:

- The exterior wall-pack fixtures of the building are higher wattage metal halide bulbs. Exterior LED wall-packs are now available. It is recommended that MRCA retrofit all of these metal halide fixtures to LED versions. The simple payback on this improvement will be approximately 2 years.

Miscellaneous Recommendations:

- All computers are equipped with software enabling the user to operate the computer with energy savings in mind; however, most users set the software at the least nuisance level, which of course results in no energy savings. Screen savers do not save energy. Sleep mode where the computer goes into hibernation after a preset time of inactivity, is the most efficient option. During the work day, computers should be allowed to hibernate during idle periods and be turned completely off at the end of the workday or weekends.
- Heaters: MRCA has the need for small heaters on the most coldest days of the year. For instance, there are small engine heaters for one of the planes in the hanger. The cost of those heaters amounts to approximately \$50.00 per month. Limiting the use of this style of heater can create some savings. Block heaters also come with an energy price tag, but there are days of the year that their use becomes necessary. Conservative use of these style of heaters is recommended.

Summary:

The culprit for MRCA's higher wintertime energy costs is an increased operation of supplemental auxiliary heat as a backup to the heat pump. The auxiliary heat is having to operate more than normal to compensate for air leaks in the attic portion of the building that are feeding cold air into the heat pump duct system. MRCA should work to implement one of the options above. Implementing one of these solutions will bring MRCA's energy costs down to an acceptable level.

Statement of Activity

Morehead-Rowan County

Airport Board

February 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
43400 Direct Public Support	0
43420 County Operating Support	4,416.67
43440 City Operating Support	7,500.00
Total for 43400 Direct Public Support	\$11,916.67
44500 Government Grants	0
44520 Federal Grants	137,000.00
Total for 44500 Government Grants	\$137,000.00
45000 Investments	0
45031 Interest, checking account	17.53
45040 Interest Income, savings account	1.32
Total for 45000 Investments	\$18.85
47500 Rentals	0
47520 T-Hangars	925.00
47570 Residence	750.00
Total for 47500 Rentals	\$1,675.00
Total for Income	\$150,610.52
Cost of Goods Sold	
Gross Profit	\$150,610.52
Expenses	
62100 Contract Services	0
62112 AWOS Maintenance	800.00
62150 FBO	3,333.33
62170 Administrative	1,250.00
Total for 62100 Contract Services	\$5,383.33
62800 Grounds and Facility Support	0
62830 Facility Repair and Maintenance	808.06
62840 Equipment, Repair, and Maintenance	9,590.00
62870 Vehicle Registration/Repair/Mainte	1,005.80
Total for 62800 Grounds and Facility Support	\$11,403.86
64400 Utilities	0
64410 Electric	1,775.45
64420 Telecommunications	326.78
64440 Water and Sewer	92.80
64450 TV	67.46
Total for 64400 Utilities	\$2,262.49

Statement of Activity

Morehead-Rowan County

Airport Board

February 2025

DISTRIBUTION ACCOUNT	TOTAL
65000 General Administration	0
65010 Bookkeeping Software and Subscriptions	137.79
65040 Material & Supplies	112.98
65140 Bank Fees	64.94
65890 Events, Ceremonies, & Meetings	-400.00
Total for 65000 General Administration	-\$84.29
80100 Capital Purchases	0
80189 Apron Expansion Project	0
80187 Apron Expansion Loan Documents	121,300.00
80192 Apron Construction Loan Interest	1,176.44
Total for 80189 Apron Expansion Project	\$122,476.44
Total for 80100 Capital Purchases	\$122,476.44
Total for Expenses	\$141,441.83
Net Operating Income	\$9,168.69
Other Income	
Other Expenses	
Net Other Income	0
Net Income	\$9,168.69

Statement of Activity

Morehead-Rowan County

Airport Board

July 1, 2024-February 28, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
43400 Direct Public Support	0
43420 County Operating Support	35,333.36
43440 City Operating Support	30,000.00
Total for 43400 Direct Public Support	\$65,333.36
44500 Government Grants	0
44520 Federal Grants	164,651.00
44540 State Grants	10,562.40
Total for 44500 Government Grants	\$175,213.40
45000 Investments	0
45031 Interest, checking account	129.73
45040 Interest Income, savings account	37.49
Total for 45000 Investments	\$167.22
47500 Rentals	0
47520 T-Hangars	\$41,145.00
47521 Hangar Refund	-89.55
Total for 47520 T-Hangars	\$41,055.45
47550 Late Fee	157.00
47570 Residence	1,750.00
Total for 47500 Rentals	\$42,962.45
Total for Income	\$283,676.43
Cost of Goods Sold	
Gross Profit	\$283,676.43
Expenses	
62100 Contract Services	\$190.00
62111 Attestation/Audit	6,000.00
62112 AWOS Maintenance	2,921.00
62140 Legal Fees	1,224.50
62150 FBO	26,666.64
62170 Administrative	10,000.00
Total for 62100 Contract Services	\$47,002.14
62800 Grounds and Facility Support	0
62830 Facility Repair and Maintenance	13,724.86
62840 Equipment, Repair, and Maintenance	10,186.06
62870 Vehicle Registration/Repair/Mainte	1,029.32
Total for 62800 Grounds and Facility Support	\$24,940.24

Statement of Activity

Morehead-Rowan County

Airport Board

July 1, 2024-February 28, 2025

DISTRIBUTION ACCOUNT	TOTAL
63000 Insurance	0
63010 Insurance - Property, Er/Omis	17,885.34
63040 Surety Bond	167.97
63050 Liability Insurance	4,745.91
Total for 63000 Insurance	\$22,799.22
64400 Utilities	0
64410 Electric	7,632.17
64420 Telecommunications	1,583.59
64430 Waste Disposal	283.99
64440 Water and Sewer	1,390.10
64450 TV	518.14
Total for 64400 Utilities	\$11,407.99
65000 General Administration	0
65010 Bookkeeping Software and Subscriptions	1,362.00
65030 Printing and Copying	6.21
65040 Material & Supplies	420.60
65110 Promotions and Advertising Expenses	12.00
65130 Business Registration Fee	275.75
65140 Bank Fees	84.94
65150 Memberships and Dues	200.00
65890 Events, Ceremonies, & Meetings	5,014.65
65895 Travel	758.74
Total for 65000 General Administration	\$8,134.89
65200 Fuel Expenses	1,934.02
80100 Capital Purchases	0
80188 AWOS Relocation	5,980.00
80189 Apron Expansion Project	\$41,907.72
80187 Apron Expansion Loan Documents	121,300.00
80192 Apron Construction Loan Interest	4,845.35
Total for 80189 Apron Expansion Project	\$168,053.07
Total for 80100 Capital Purchases	\$174,033.07
Total for Expenses	\$290,251.57
Net Operating Income	-\$6,575.14
Other Income	
Other Expenses	
Net Other Income	0
Net Income	-\$6,575.14

Statement of Financial Position

Morehead-Rowan County

Airport Board

As of February 28, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Citizens Bank Construction Acct	52,657.12
Citizens Bank Facilities Reserve Acct	0.21
Citizens Bank Operating Acct	25,867.76
Total for Bank Accounts	\$78,525.09
Accounts Receivable	
Other Current Assets	
Edward Jones Money Market	3,240.58
Total for Other Current Assets	\$3,240.58
Total for Current Assets	\$81,765.67
Fixed Assets	
15000 Furniture and Equipment	3,080.65
Total for Fixed Assets	\$3,080.65
Other Assets	
Total for Assets	\$84,846.32
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
Other Current Liabilities	
Total for Current Liabilities	0
Long-term Liabilities	
Total for Liabilities	0
Equity	
Retained Earnings	-230,192.12
Net Income	-6,575.14
30000 Opening Balance Equity	321,613.58
Total for Equity	\$84,846.32
Total for Liabilities and Equity	\$84,846.32