

# West Michigan Airport Authority

## Meeting Agenda

Monday, January 13, 2014

11:30am – 12:30pm

Howard Miller Library & Community Center, 14 S. Church Street, Zeeland

1. Public Comments.
2. Consideration of the December 9, 2013 Meeting Minutes. (Action Required)
3. Presentation of Fiscal Year 2013 Audit. (Rehmann Robson) (Accept as Information)
4. FBO Report.
5. Review of Fiscal Year 2014 and Fiscal Year 2015 Budget Action Plans.
6. Consideration of a Policy for Private Filming at the Airport. (Action Required)
7. Communications Activities. (Scholten)
8. Monthly Budget and Investment Report. (Accept as Information)
9. Next meeting: February 10, 2014, 11:30am at Park Township Offices.
10. Other Business.
11. Adjourn.

***Mission Statement:** To provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

**If you are not able to attend the meeting, please contact Greg Robinson (355-1310) or Sinka Babinec (355-1310). We must have at least one of the three representatives of each unit of government present at the meeting to attain a quorum. Thank you.**

## West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423  
P (616) 355-1310 F (616) 546-7056

*Comprising City of Zeeland, Park Township and City of Holland*



January 9, 2014

**To:** West Michigan Airport Authority Board.  
**From:** Greg Robinson, Holland Assistant City Manager.  
**Subject:** January 13, 2014 Board meeting.

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Following are a few comments on the agenda items for the January 13, 2014 Board meeting in Zeeland. The meeting will begin with a presentation by Rehmann Robson representatives on the Fiscal Year 2013 audit. Perhaps not an exciting item for most of you, but that is good in itself. A clean audit as this one is once again has become routine which is evidence of the quality work that the City of Holland's Finance Office is providing to the Authority. The Operations Committee has previously reviewed the FY13 audit with Rehmann Robson.

Believe it or not, it is time to begin preparation of the budget for the next fiscal year, beginning on July 1, 2014 (FY15). On Monday, we will present a status report on the Action Plan items for the current budget year and proposed Action Plan items for FY15. At the February meeting, we will present the proposed budget to you and ask that you schedule a public hearing for March.

If you will recall, a couple of months ago we received a request from an organization wishing to conduct filming at the airport. Since the Authority does not have a policy for this, we did not approve the request. The Operations Committee has reviewed a Filming Policy and the proposed Policy is in your meeting packet. I want you to be aware that in only limited circumstances could the Board deny a request for private filming based on content of the film. As a result, the Policy does not deal with content of the film. The airport is a somewhat unique property due to security concerns, private facilities and private aircraft. So, the Policy attempts to recognize this.

I am not anxious to receive the next invoice from Tulip City Air Service for snowplowing! Enough said about that from me, but I am sure that Ron Ludema will have much to say about the weather during his FBO report.

Please feel free to contact me prior to the meeting if you have questions about the agenda items. Otherwise, we look forward to seeing you on Monday!

**West Michigan Airport Authority  
Proposed Meeting Minutes  
December 9, 2013**

**Item 2.**

The West Michigan Airport Authority Board met at Westshore Aviation, 1585 S. Washington in Holland.

**Present:** Authority Members Klynstra, Klunder, Hoogland, Wickmann, Toscano, Matthyse, Wiersma, Student Representatives VanderKolk and DeLeau and Ex-Officio Member Disselkoen.

**Absent:** FBO Ludema, Dykstra, Martin and Storey.

**Others Present:** Communications Assistant Karen Scholten, Assistant City Manager Greg Robinson and Executive Assistant Sinka Babinec.

Chairperson Klunder called the meeting to order at 11:35 a.m. and thanked Westshore Aviation for serving as host for the meeting.

**13.12.01 Public Comments.**

There were no public comments expressed at this meeting.

**13.12.02 Consideration of the October 14, 2013 Meeting Minutes.**

Mr. Wickmann requested corrections to the meeting minutes regarding the Five Year Capital Plan regarding elimination of the Runway 8 MALSR.

It was moved by Hoogland and supported by Matthyse to approve the October 14, 2013 meeting minutes as corrected. This motion was unanimously adopted.

**13.12.03 Presentation of Fiscal Year 2013 Audit. (Rehmann Robson)**

Authority Board members recommended that the presentation of fiscal year 2013 audit presentation be on the January 2014 meeting agenda.

It was moved by Wiersma and supported by Wickmann to table the presentation of the Fiscal Year 2013 Audit to the January 13, 2014 Board meeting.

**13.12.04 Mead & Hunt Contract Amendment for Property Acquisition Services.**

Mr. Robinson advised that Mead & Hunt has requested a \$3,748 amendment to the agreement the Authority has with them to conduct property acquisition services for the new terminal and associated uses. After the original agreement was entered into, we requested that Mead & Hunt split the appraisal into two pieces, separating Regent Boulevard from the remainder of the property. This caused additional work for the sub-consultants. The Authority will be reimbursed for all but 5% of this cost (\$187.40).

It was moved by Klynstra and supported by Wickmann to approve the amendment with Mead & Hunt for \$3,748 for additional property acquisition services and to authorize Chairperson Tim Klunder to sign it on behalf of the Authority.

**13.12.05 FBO Report.**

Due to the absence of Mr. Ludema, Mr. Robinson stated that the report was included in the packet which described the fuel sold at the airport and compared these figures to those of the previous year. The report also included estimates of air traffic during the previous month. The pavement crack filling and sealing project has been completed.

This report was accepted as information.

**13.12.06            Communications Activities.**

Ms. Scholten reviewed the communications report and touched on some of its highlights. The WMAA Communications Committee presented to the Board the recently completed video on the West Michigan Regional Airport. The video is a valuable tool to share how the Airport helps strengthen the local economy by connecting local companies and organizations to the world. The City of Holland Public Television staff worked with the Committee to prepare this video. The Board gave a round of applause after seeing the video at the meeting.

Board members thanked Ms. Scholten and staff for their work on developing the video.

**13.12.07            Monthly Budget and Investment Report.**

It was moved by Klynstra and supported by Toscano to accept as information the Monthly Budget and Investment Report as presented. This motion was unanimously adopted.

**13.12.08            Next Meeting: January 13, 2014 at Howard Miller Library & Community Center in Zeeland.**

**13.10.09            Other Business.**

Mr. Toscano asked that a designated left turn lane be considered at the South Washington and Geurink Boulevard traffic signal. Mr. Robinson will refer this request to the City's Traffic Committee.

**13.10.10            Adjournment.**

There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Jim Wiersma  
Secretary

**Rehmann Robson**

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**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

November 27, 2013

Airport Authority Board Members  
West Michigan Airport Authority  
Holland, Michigan

We have audited the financial statements of the governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority") for the year ended June 30, 2013, and have issued our report thereon dated November 27, 2013. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated July 30, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on August 5, 2013.

**Significant Results of the Audit**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 11 to the financial statements, the Authority adopting Statement of Governmental Accounting Standards (GASB Statement) No. 63,

*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. While certain terminology changed, there was no net effect on beginning equity. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Upcoming Changes in Accounting Standards*

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated November 27, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the West Michigan Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment A - Comments and Recommendations

For the June 30, 2013 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the Authority's internal control over financial reporting is described in our report, dated November 27, 2013, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated November 27, 2013, on the financial statements of the West Michigan Airport Authority.

### *Allocation of Payroll Costs*

The Authority shares certain staff with the City of Holland, Michigan. A portion of these employees' time is manually allocated monthly to the Authority based on pre-determined percentages. These percentages are based on the Authority's 'best practices', however no formal time study has been performed to support these rates. We recommend the Authority perform such a study to support the portion of wages allocated.

### *Level of Budgetary Control*

The State requires the minimum level of detail of the budget to be department, although a lesser threshold can be adopted for the budget control. Violations of the budget control are required to be reported. We recommend the Airport incorporate into its annual budget resolution a definition of what it considers the legal level of budgetary control.

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# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “pronouncements” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 66 ■ 2012 Technical Corrections (an Amendment to GASB 10 and GASB 62)**

*Effective 12/15/2013 (your FY 2014)*

This standard was issued to eliminate conflicting guidance that resulted from the issuance of GASB 54 and GASB 62, which are both already effective. GASB 10 was amended to allow for risk financing activities to be accounted for in whichever fund type is most applicable (no longer limited to the general fund or an internal service fund). GASB 62 was amended to modify specific guidance related to (1) operating leases with scheduled rent increases, (2) purchase of loans at an amount other than the principal amount, and (3) service fees related to mortgages that are sold when the service rate varies significantly from the current (normal) service fees.

We do not expect GASB 66 to have any significant impact on the Authority at this time.

### **GASB 67 ■ Financial Reporting for Pension Plans**

*Effective 06/15/2014 (your FY 2014)*

This standard establishes the requirements for pension plans administered by trusts to report on their operations, including setting new uniform requirements for actuarial valuations of the total pension liability, and reporting various 10-year trend data as required supplementary information. The financial statements of pension plans will not change substantially as a result of GASB 67, though the additional note disclosures and required supplementary information will be significant. Additionally, actuarial valuations conducted in accordance with GASB 67 will have to match the government’s fiscal year, or be rolled forward to that date by the actuary.

Because the Authority does not maintain its own pension trust fund, we do not expect GASB 67 to have any significant impact on the Authority at this time.

### **GASB 68 ■ Accounting and Financial Reporting for Pensions**

*Effective 06/15/2015 (your FY 2015)*

This standard establishes new requirements for governments to report a “net pension liability” for the unfunded portion of its pension plan. Governments that maintain their own pension plans (either single employer or agent multiple-employer) will report a liability for the difference between the total pension liability calculated in accordance with GASB 67 and the amount held in the pension trust fund. Governments that participate in a cost sharing plan will report a liability for their “proportionate share” of the net pension liability of the entire system.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

Historically, governments have only been required to report a net pension obligation to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net pension liability based on the current funded status of their pension plans. This liability would be limited to the government-wide financial statements. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB 68 also requires more extensive note disclosures and required supplementary information, including 10 years of historical information. The methods used to determine the discount rate (the assumed rate of return on plan assets held in trust) are mandated and must be disclosed, along with what the impact would be on the net pension liability if that rate changed by 1% in either direction. Other new disclosure requirements include details of the changes in the components of the net pension liability, comparisons of actual employer contributions to actuarially determined contributions, and ratios to put the net pension liability in context. For single-employer and agent multiple-employer plans, the information for these statements will come from the annual actuarial valuation. For cost sharing plans, this information will be derived from the financial reports of the plan itself, multiplied by the government's proportionate share of plan.

GASB 67 and 68 are only applicable to pension plans. However, the GASB has announced its intent to issue similar standards for other postemployment benefits (e.g., retiree healthcare) on a two year delay from these standards.

### **GASB 69 ■ Government Combinations and Disposals of Government Operations**

*Effective 12/15/2014 (your FY 2015)*

This standard provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity.

Given the infrequent nature of these types of events, we do not expect this standard to have any impact on the Authority at this time.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

### GASB 70 ■ Nonexchange Financial Guarantees

*Effective 06/15/2014 (your FY 2014)*

This standard addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is “more likely than not” that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements.

We do not expect GASB 70 to have any significant impact on the Authority at this time.

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## West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423

P (616) 355-1310 F (616) 546-7056

*Comprising City of Zeeland, Park Township and City of Holland*



November 27, 2013

Rehmann Robson  
2330 East Paris Ave. SE  
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the general fund of the **West Michigan Airport Authority** (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations, and the budgetary comparison for the General Fund of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 27, 2013:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 30, 2013, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

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9. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
10. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All components of net position and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Special items and extraordinary items have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

### Information Provided

22. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.

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24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
25. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
27. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
29. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
30. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
31. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
33. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
34. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

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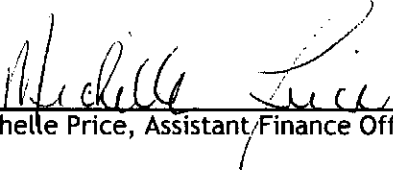


### Required Supplementary Information

37. With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

 11.27.13  
\_\_\_\_\_  
Greg Robinson, Assistant City Manager

 11.27.13  
\_\_\_\_\_  
Michelle Price, Assistant Finance Officer

West Michigan  
Airport Authority



**WEST MICHIGAN™**  
REGIONAL AIRPORT

Year Ended  
June 30, 2013

Financial  
Statements



# WEST MICHIGAN AIRPORT AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

November 27, 2013

Members of the Airport Authority Board  
West Michigan Airport Authority  
Holland, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities and the general fund of the West Michigan Airport Authority as of June 30, 2013, and the changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

As management of the West Michigan Airport Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that is furnished the financial statements and notes to the financial statements.

### Financial Highlights

The Authority had capital investment projects in process including:

- \$28,815 was expended on an environmental assessment and preliminary engineering on upcoming airport projects.
- A master plan study and update to the airport layout plan was ongoing, \$7,328 was spent during the fiscal year.
- A continuing project to rehab the east taxiway connector, \$501,668 was spent during the fiscal year with the rehab to be completed during fiscal year 2014.

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,406,919 (*net position*). Of this amount, \$764,127 was unrestricted net position and may be used to meet the Authority's ongoing obligations to citizens and creditors.

The Authority's total net position increased by \$399,953. As of the close of the current fiscal year, the Authority's general fund reported an ending fund balance of \$764,127, a decrease of \$100,854 from the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority's is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest on long-term debt).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Authority are all classified as public works. The Authority has no business-type activities.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority reports one governmental fund, the general fund. Information for this fund is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Authority adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided herein to demonstrate compliance with those budgets.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$2,406,919 at the close of the most recent fiscal year.

|                                  | Net Position        |                     |
|----------------------------------|---------------------|---------------------|
|                                  | 2013                | 2012                |
| <b>Assets</b>                    |                     |                     |
| Current and other assets         | \$ 1,028,005        | \$ 894,465          |
| Capital assets, net              | 1,642,792           | 1,141,985           |
| <b>Total assets</b>              | <u>2,670,797</u>    | <u>2,036,450</u>    |
| <b>Liabilities</b>               |                     |                     |
| Other liabilities                | <u>263,878</u>      | <u>29,484</u>       |
| <b>Net position</b>              |                     |                     |
| Net investment in capital assets | 1,642,792           | 1,141,985           |
| Unrestricted                     | 764,127             | 864,981             |
| <b>Total net position</b>        | <u>\$ 2,406,919</u> | <u>\$ 2,006,966</u> |

A portion of the Authority net position (68.3%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining (31.7%) balance (\$764,127) may be used to meet the Authority's ongoing obligations to citizens and creditors.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

At the end of the current fiscal year, the Authority is able to report positive balance in both categories of net position.

The Authority's net position increased by \$399,953 during the current fiscal year. This growth is due primarily to federal and state funded capital acquisitions.

|                                  | Change in Net Position |                     |
|----------------------------------|------------------------|---------------------|
|                                  | 2013                   | 2012                |
| Revenues                         |                        |                     |
| Program revenues:                |                        |                     |
| Charges for services             | \$ 262,368             | \$ 242,276          |
| Capital grants and contributions | 524,771                | 398,424             |
| General revenues:                |                        |                     |
| Property taxes                   | 231,445                | 237,027             |
| Unrestricted investment earnings | 986                    | 6,478               |
| Total revenues                   | <u>1,019,570</u>       | <u>884,205</u>      |
| Expenses                         |                        |                     |
| Public works                     | <u>619,617</u>         | <u>320,265</u>      |
| Change in net position           | 399,953                | 563,940             |
| Net position, beginning of year  | <u>2,006,966</u>       | <u>1,443,026</u>    |
| Net position, end of year        | <u>\$ 2,406,919</u>    | <u>\$ 2,006,966</u> |

### Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Activities.** The focus of the Authority's *governmental fund* is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Authority financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Authority has only one governmental fund, the general fund.

The overall results of general fund operations were a decrease in fund balance of \$100,854 from operations. At the end of the current fiscal year, unassigned fund balance of the general fund was \$635,455. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 56.7 percent of general fund expenditures.

### General Fund Budgetary Highlights

The original revenue budget was \$1,775,840. There were no amendments to the revenue budget. The original expenditure budget was \$1,632,800. No budget amendments were considered necessary during the year. Personnel expenditures exceeded the budget for the year by \$5,203. State and local revenue, along with capital outlay expenditures, were less than budget due to timing of construction projects administered by the Michigan Department of Transportation.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

**Capital Assets.** During the fiscal year, the Authority invested over \$500,000 rehabilitate its south hangar taxiway area. Certain additional projects are still in progress as of year end. The City retained ownership of capital assets consisting of land, land improvements, building and equipment acquired prior to formation of the Authority.

|                            | Capital Assets<br>(Net of Depreciation) |                     |
|----------------------------|---|---------------------|
|                            | 2013                                    | 2012                |
| Construction in progress   | \$ 725,475                              | \$ 239,895          |
| Land improvements          | 371,227                                 | 322,444             |
| Buildings and improvements | 36,064                                  | 36,893              |
| Equipment                  | 510,026                                 | 542,753             |
| Total capital assets, net  | <u>\$ 1,642,792</u>                     | <u>\$ 1,141,985</u> |

Additional information on the Authority capital assets can be found in Note 5 of this report.

**Debt.** The Authority had no long-term debt at June 30, 2013.

### Economic Factors and Next Year's Budget and Rates

The tax rate remains at 0.10 mills for fiscal year 2014 with property tax revenue anticipated to increase with some growth in the tax base of the taxing jurisdictions. Fiscal year 2014 includes a 2.4% increase in tax base. Recent state reports project a 1.6% increase in tax base for fiscal year 2015.

The general fund budget projects an increase of \$79,550 in fund balance, which includes the \$93,650 Authority local share expended towards capital outlay.

### Requests for Information

This financial report is designed to provide a general overview of the Authority for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Michelle Price, West Michigan Airport Authority, 270 River Ave., Holland, Michigan 49423.



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## BASIC FINANCIAL STATEMENTS

# WEST MICHIGAN AIRPORT AUTHORITY

## Statement of Net Position

June 30, 2013

|                                       | Governmental<br>Activities |
|---------------------------------------|----------------------------|
| Assets                                |                            |
| Cash and pooled investments           | \$ 1,004,105               |
| Receivables, net                      | 13,268                     |
| Prepays                               | 10,632                     |
| Capital assets not being depreciated  | 725,475                    |
| Capital assets being depreciated, net | <u>917,317</u>             |
| Total assets                          | <u>2,670,797</u>           |
| Liabilities                           |                            |
| Accounts payables                     | 255,040                    |
| Unearned revenue                      | <u>8,838</u>               |
| Total liabilities                     | <u>263,878</u>             |
| Net position                          |                            |
| Net investment in capital assets      | 1,642,792                  |
| Unrestricted                          | <u>764,127</u>             |
| Total net position                    | <u>\$ 2,406,919</u>        |

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

# WEST MICHIGAN AIRPORT AUTHORITY

## Statement of Activities

For the Year Ended June 30, 2013

| Functions / Programs             | Expenses   | Program Revenues        |  | Net<br>(Expenses)<br>Revenues |
|----------------------------------|------------|-------------------------|--|-------------------------------|
|                                  |            | Charges<br>for Services | Capital<br>Grants and<br>Contributions |                               |
| Governmental activities          |            |                         |  |                               |
| Public works                     | \$ 619,617 | \$ 262,368              | \$ 524,771                             | \$ 167,522                    |
| General revenues                 |            |                         |  |                               |
| Property taxes                   |            |                         |  | 231,445                       |
| Unrestricted investment earnings |            |                         |  | 986                           |
| Total general revenues           |            |                         |  | 232,431                       |
| Change in net position           |            |                         |  | 399,953                       |
| Net position, beginning of year  |            |                         |  | 2,006,966                     |
| Net position, end of year        |            |                         |  | \$ 2,406,919                  |

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

# WEST MICHIGAN AIRPORT AUTHORITY

## Balance Sheet

Governmental Fund  
June 30, 2013

|   | General<br>Fund            |
|---|----------------------------|
| <b>Assets</b>                             |                            |
| Cash and pooled investments               | \$ 1,004,105               |
| Receivables:                              |                            |
| Accounts                                  | 12,742                     |
| Taxes                                     | 132                        |
| Due from other governmental units         | 394                        |
| Prepays                                   | <u>10,632</u>              |
| <b>Total assets</b>                       | <u><u>\$ 1,028,005</u></u> |
| <b>Liabilities</b>                        |                            |
| Accounts payable                          | \$ 11,568                  |
| Due to other governments                  | 243,472                    |
| Unearned revenue                          | <u>8,838</u>               |
| <b>Total liabilities</b>                  | <u>263,878</u>             |
| <b>Fund balance</b>                       |                            |
| Nonspendable                              | 10,632                     |
| Committed                                 | 118,040                    |
| Unassigned                                | <u>635,455</u>             |
| <b>Total fund balance</b>                 | <u>764,127</u>             |
| <b>Total liabilities and fund balance</b> | <u><u>\$ 1,028,005</u></u> |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Reconciliation

Fund Balance of the Governmental Fund  
to Net Position of Governmental Activities  
June 30, 2013

|   |                     |
|---|---------------------|
| Fund balance - governmental fund  | \$ 764,127          |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:             |                     |
| Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund. |                     |
| Capital assets not being depreciated  | 725,475             |
| Capital assets being depreciated, net   | <u>917,317</u>      |
| Net position of governmental activities   | <u>\$ 2,406,919</u> |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

For the Year Ended June 30, 2013

|                                    | General<br>Fund |
|------------------------------------|-----------------|
| Revenues                           |                 |
| Property taxes                     | \$ 231,445      |
| Intergovernmental:                 |                 |
| Federal                            | 509,821         |
| State                              | 14,950          |
| User fees and charges for services | 112,198         |
| Rentals                            | 150,170         |
| Interest income                    | 986             |
|                                    | <hr/>           |
| Total revenues                     | 1,019,570       |
|                                    | <hr/>           |
| Expenditures                       |                 |
| Current:                           |                 |
| Public works                       | 322,059         |
| Capital outlay                     | 798,365         |
|                                    | <hr/>           |
| Total expenditures                 | 1,120,424       |
|                                    | <hr/>           |
| Net changes in fund balance        | (100,854)       |
|                                    |                 |
| Fund balance, beginning of year    | 864,981         |
|                                    | <hr/>           |
| Fund balance, end of year          | \$ 764,127      |
|                                    | <hr/>           |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Reconciliation

Net Change in Fund Balance of the Governmental Fund  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2013

|  |              |
|--|--------------|
| Net change in fund balance - governmental fund | \$ (100,854) |
|--|--------------|

Amounts reported for *governmental activities* in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

|                                      |                 |
|--------------------------------------|-----------------|
| Capital assets purchased/constructed | 552,469         |
| Depreciation expense                 | <u>(51,662)</u> |

|   |                   |
|---|-------------------|
| Change in net position of governmental activities | <u>\$ 399,953</u> |
|---|-------------------|

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



## WEST MICHIGAN AIRPORT AUTHORITY

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2013

|  | Original<br>Budget  | Final<br>Budget     | Actual            | Actual Over<br>(Under) Final<br>Budget |
|--|---------------------|---------------------|-------------------|--|
| <b>Revenues</b>                        |                     |                     |                   |  |
| Property taxes                         | \$ 217,300          | \$ 217,300          | \$ 231,445        | \$ 14,145                              |
| Intergovernmental:                     |                     |                     |                   |  |
| Federal                                | 323,000             | 323,000             | 509,821           | 186,821                                |
| State                                  | 589,600             | 589,600             | 14,950            | (574,650)                              |
| Local                                  | 381,400             | 381,400             | -                 | (381,400)                              |
| User fees and charges for services     | 118,340             | 118,340             | 112,198           | (6,142)                                |
| Rentals                                | 139,200             | 139,200             | 150,170           | 10,970                                 |
| Interest income                        | 7,000               | 7,000               | 986               | (6,014)                                |
| <b>Total revenues</b>                  | <u>1,775,840</u>    | <u>1,775,840</u>    | <u>1,019,570</u>  | <u>(756,270)</u>                       |
| <b>Expenditures</b>                    |                     |                     |                   |  |
| Current:                               |                     |                     |                   |  |
| Public works                           | 338,800             | 338,800             | 322,059           | (16,741)                               |
| Capital outlay                         | 1,294,000           | 1,294,000           | 798,365           | (495,635)                              |
| <b>Total expenditures</b>              | <u>1,632,800</u>    | <u>1,632,800</u>    | <u>1,120,424</u>  | <u>(512,376)</u>                       |
| <b>Net changes in fund balance</b>     | 143,040             | 143,040             | (100,854)         | (243,894)                              |
| <b>Fund balance, beginning of year</b> | <u>864,981</u>      | <u>864,981</u>      | <u>864,981</u>    | <u>-</u>                               |
| <b>Fund balance, end of year</b>       | <u>\$ 1,008,021</u> | <u>\$ 1,008,021</u> | <u>\$ 764,127</u> | <u>\$ (243,894)</u>                    |

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

## NOTES TO FINANCIAL STATEMENTS

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the West Michigan Airport Authority (the “Authority”) conform to generally accepted accounting principles (“GAAP”) as applicable to governmental units. The following is a summary of the significant accounting policies:

#### The Reporting Entity

The Authority is a municipal corporation governed by an elected, twelve-member Authority Board. As required by generally accepted accounting principles, these financial statements present the financial position and related activity for the West Michigan Airport Authority. The Authority was formed on July 1, 2008 from the former Municipal Airport enterprise fund of the City of Holland (the “City”). The Authority has no component units and is not reported as a component unit of any other governmental unit.

#### *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority. The effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

#### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, any delinquent taxes on real property are paid by the County which is responsible for collecting any outstanding taxes on real property as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue, charges for services and interest are all considered to be susceptible to accrual if collected within 180 days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those accounted for and reported for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

### Cash and cash equivalents

The Authority considers all assets held in the City of Holland, Michigan's pooled cash and investments to be cash equivalents because the investments in the pool are not identifiable to specific funds and the assets can be withdrawn at anytime, similar to a demand deposit account.

State statute authorizes the Authority to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Authority's investment policy allows for all of these types of investments.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end are considered by management to be immaterial.

### Due to/from other governmental units

Amounts due to/from other governments include amounts due to/from grantors for specific programs and capital projects. Program and capital grants are recorded as receivables and revenue at the time reimbursable costs are incurred. Amounts received in advance of costs being incurred are unearned revenue.

### Prepaid items

The Authority incurred expenses prior to year-end for services that will be performed in the next fiscal year. In these situations, the Authority records an asset to reflect the investment in future services.

### Capital assets

Capital assets, which include construction in progress, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The City retained capital assets consisting of land, land improvements, building and equipment acquired prior to formation of the Authority, see lease agreement in Note 9.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

| Assets                     | Years |
|----------------------------|-------|
| Land improvements          | 20    |
| Buildings and improvements | 40    |
| Equipment                  | 3 - 5 |

### Unearned revenue

The Authority reports unearned revenue for prepayments of lease rent.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### Intergovernmental revenue

The Authority's primary source of funding is intergovernmental revenue. This funding includes contributions by the Cities of Holland and Zeeland and Park Township based on collection of a unified millage on property values. Additionally, the Authority benefited from state and federal grant projects administered by the Michigan Department of Transportation on its behalf.

### Use of estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Fund equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Airport Authority Board. A formal resolution of the Airport Authority Board is required to establish, modify, or rescind a fund balance commitment. The Authority reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund. The Airport Authority Board has formally established a fund balance reserve of \$25,000 under a stabilization arrangement (minimum fund balance) to be retained for emergencies. This amount is reported as a component of unassigned fund balance. When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

## 2. BUDGETARY INFORMATION AND COMPLIANCE

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Assistant City Manager of the City of Holland oversees the Authority's operations and is responsible for submitting the proposed operating budget for the following fiscal year to the Authority Board. The Authority Board, during its review, holds a public hearing to obtain taxpayer comments. The budget is legally enacted by resolution of the Board.
2. Any revisions that alter total appropriations of any fund must be approved by the Authority Board. Budgeted appropriations lapse each year; however, appropriations for continuing projects and programs which the Authority intends to complete are included in the budget of the ensuing year.
3. Budgeted amounts are as originally adopted or as amended by the Authority Board during the year. The budgets have been prepared in accordance with generally accepted accounting principles. Supplemental appropriations were not necessary during the year.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

4. The budget has been adopted on a department level basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.
5. Annual budgets are legally adopted for the General Fund as required by the Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan.

### *Budgetary Compliance*

The Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan requires that all general and special revenue funds adopt annually balanced budgets on the modified accrual basis of accounting. There were no budgetary violations noted for the year ended June 30, 2013.

## 3. DEPOSITS AND INVESTMENTS

The Authority reported cash and pooled investments of \$1,004,105 on the statement of net position as of June 30, 2013. This amount was held by the City of Holland, Michigan's pooled cash and investments on behalf of the Airport.

For note disclosure purposes, the above amounts are all considered to be investments held in the City of Holland, Michigan pooled cash and investments. The Authority's portion of the pool is displayed on the statement of net position. Investments underlying the City of Holland, Michigan pooled cash and investments consist primarily of short-term certificates of deposit, which are carried at cost plus accrued interest, and U.S. Treasury notes, which are carried at fair value. Information regarding interest rate risk and credit risk can be found in the City of Holland, Michigan's Comprehensive Annual Financial Report.

## 4. RECEIVABLES, NET

Receivables, net for the year ended June 30, 2013 were as follows:

|                                   |    |        |
|-----------------------------------|----|--------|
| Accounts                          | \$ | 12,742 |
| Taxes                             |    | 444    |
| Allowance for uncollectible taxes |    | (312)  |
| Due from other governmental units |    | 394    |
|                                   |    | <hr/>  |
|                                   | \$ | 13,268 |
|                                   |    | <hr/>  |

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 was as follows:

|   | Beginning<br>Balance | Additions         | Disposals   | Transfers     | Ending Balance      |
|---|----------------------|-------------------|-------------|---------------|---------------------|
| Governmental Activities                     |                      |                   |             |               |                     |
| Capital assets, not being depreciated:      |                      |                   |             |               |                     |
| Construction in progress                    | \$ 239,895           | \$ 537,663        | \$ -        | \$ (52,083)   | \$ 725,475          |
| Capital assets, being depreciated:          |                      |                   |             |               |                     |
| Land improvements                           | 326,798              | 14,806            | -           | 52,083        | 393,687             |
| Buildings & improvements                    | 37,308               | -                 | -           | -             | 37,308              |
| Equipment                                   | 545,449              | -                 | -           | -             | 545,449             |
|   | <u>909,555</u>       | <u>14,806</u>     | <u>-</u>    | <u>52,083</u> | <u>976,444</u>      |
| Less accumulated depreciation for:          |                      |                   |             |               |                     |
| Land improvements                           | (4,354)              | (18,106)          | -           | -             | (22,460)            |
| Buildings & improvements                    | (415)                | (829)             | -           | -             | (1,244)             |
| Equipment                                   | (2,696)              | (32,727)          | -           | -             | (35,423)            |
|   | <u>(7,465)</u>       | <u>(51,662)</u>   | <u>-</u>    | <u>-</u>      | <u>(59,127)</u>     |
| Total capital assets being depreciated, net | <u>902,090</u>       | <u>(36,856)</u>   | <u>-</u>    | <u>52,083</u> | <u>917,317</u>      |
| Governmental activities capital assets, net | <u>\$ 1,141,985</u>  | <u>\$ 500,807</u> | <u>\$ -</u> | <u>\$ -</u>   | <u>\$ 1,642,792</u> |

The Authority had active construction projects at year end. At June 30, 2013, the Authority had commitments of approximately \$23,000.

### 6. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Authority classifies fund balance based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in the governmental fund. Detailed information on fund balance of the governmental fund is as follows:

|                              |                   |
|------------------------------|-------------------|
| Nonspendable - prepaids      | \$ 10,632         |
| Committed - capital projects | 118,040           |
| Unassigned                   | <u>635,455</u>    |
| Total fund balance           | <u>\$ 764,127</u> |



# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 7. LITIGATION/CONTINGENT LIABILITY

In the normal course of its activities, the Authority has become a party in various legal actions, including property tax assessment appeals. Management of the Authority is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Authority and, therefore, has not reflected loss reserves in the financial statements.

### 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. Employee-related risk management is provided by the City as the Authority leases its employees from the City. The land occupied by the Authority is owned by the City and is self-insured by the City. Project liability and general liability are insured by commercial policies held by the Authority.

### 9. LEASE COMMITMENT

The Authority leases Tulip City Airport from the City for \$1,000 per year for a period of 50 continuous years after the commencement of the lease, to expire in 2058. The City has title to the premises and upon termination of the lease, will obtain title to all improvements, fixtures or other types of fixed property appurtenant to the buildings and property located thereon. The Authority is responsible for insurance on premises, liability coverage and all other insurance policies.

### 10. FEDERAL REVENUE

The Authority receives grant awards from various sources to administer programs and fund capital improvements. When an award is directly administered by the Authority, the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* are applicable. The Authority did not receive any federal funds in this manner for the year ended June 30, 2013. However, in certain instances, the Authority is an indirect beneficiary of the federal funds that are expended directly by the Michigan Department of Transportation. These expenditures are included in the single audit for the State of Michigan. Detail of the Authority's expenditures of federal awards for the year ended June 30, 2013 is as follows:

| Award Name   | Award Number   | Indirectly Administered |
|--|----------------|-------------------------|
| Environmental assessment and preliminary engineering on new terminal project | D-26-0045-3512 | \$ 27,375               |
| South hangar rehabilitation project  | E-26-0045-3309 | 476,584                 |
| Master plan study and update   | B-26-0045-3006 | <u>5,862</u>            |
| Total federal revenue  |                | <u>\$ 509,821</u>       |

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 11. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Authority adopted Statement of Governmental Accounting Standards (GASB Statement) No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. While certain terminology changed, there was no net effect on beginning equity.

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INDEPENDENT AUDITORS' 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*

November 27, 2013

Airport Authority Board  
West Michigan Airport Authority  
Holland, Michigan

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 governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 27, 2013.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. 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 Authority'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.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.



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West Michigan  
Airport Authority



**WEST MICHIGAN™**  
REGIONAL AIRPORT

Year Ended  
June 30, 2013

Financial  
Statements

# WEST MICHIGAN AIRPORT AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

November 27, 2013

Members of the Airport Authority Board  
West Michigan Airport Authority  
Holland, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities and the general fund of the West Michigan Airport Authority as of June 30, 2013, and the changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Rehmann Lohann LLC". The signature is written in a cursive, flowing style.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

As management of the West Michigan Airport Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that is furnished the financial statements and notes to the financial statements.

### Financial Highlights

The Authority had capital investment projects in process including:

- \$28,815 was expended on an environmental assessment and preliminary engineering on upcoming airport projects.
- A master plan study and update to the airport layout plan was ongoing, \$7,328 was spent during the fiscal year.
- A continuing project to rehab the east taxiway connector, \$501,668 was spent during the fiscal year with the rehab to be completed during fiscal year 2014.

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,406,919 (*net position*). Of this amount, \$764,127 was unrestricted net position and may be used to meet the Authority's ongoing obligations to citizens and creditors.

The Authority's total net position increased by \$399,953. As of the close of the current fiscal year, the Authority's general fund reported an ending fund balance of \$764,127, a decrease of \$100,854 from the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority's is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest on long-term debt).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Authority are all classified as public works. The Authority has no business-type activities.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority reports one governmental fund, the general fund. Information for this fund is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Authority adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided herein to demonstrate compliance with those budgets.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$2,406,919 at the close of the most recent fiscal year.

|                                  | Net Position        |                     |
|----------------------------------|---------------------|---------------------|
|                                  | 2013                | 2012                |
| <b>Assets</b>                    |                     |                     |
| Current and other assets         | \$ 1,028,005        | \$ 894,465          |
| Capital assets, net              | 1,642,792           | 1,141,985           |
| <b>Total assets</b>              | <u>2,670,797</u>    | <u>2,036,450</u>    |
| <b>Liabilities</b>               |                     |                     |
| Other liabilities                | <u>263,878</u>      | <u>29,484</u>       |
| <b>Net position</b>              |                     |                     |
| Net investment in capital assets | 1,642,792           | 1,141,985           |
| Unrestricted                     | 764,127             | 864,981             |
| <b>Total net position</b>        | <u>\$ 2,406,919</u> | <u>\$ 2,006,966</u> |

A portion of the Authority net position (68.3%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining (31.7%) balance (\$764,127) may be used to meet the Authority's ongoing obligations to citizens and creditors.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

At the end of the current fiscal year, the Authority is able to report positive balance in both categories of net position.

The Authority's net position increased by \$399,953 during the current fiscal year. This growth is due primarily to federal and state funded capital acquisitions.

|                                  |              | Change in Net Position |      |
|----------------------------------|--------------|------------------------|------|
|                                  |              | 2013                   | 2012 |
| Revenues                         |              |                        |      |
| Program revenues:                |              |                        |      |
| Charges for services             | \$ 262,368   | \$ 242,276             |      |
| Capital grants and contributions | 524,771      | 398,424                |      |
| General revenues:                |              |                        |      |
| Property taxes                   | 231,445      | 237,027                |      |
| Unrestricted investment earnings | 986          | 6,478                  |      |
| Total revenues                   | 1,019,570    | 884,205                |      |
| Expenses                         |              |                        |      |
| Public works                     | 619,617      | 320,265                |      |
| Change in net position           | 399,953      | 563,940                |      |
| Net position, beginning of year  | 2,006,966    | 1,443,026              |      |
| Net position, end of year        | \$ 2,406,919 | \$ 2,006,966           |      |

### Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Activities.** The focus of the Authority's *governmental fund* is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Authority financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Authority has only one governmental fund, the general fund.

The overall results of general fund operations were a decrease in fund balance of \$100,854 from operations. At the end of the current fiscal year, unassigned fund balance of the general fund was \$635,455. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 56.7 percent of general fund expenditures.

### General Fund Budgetary Highlights

The original revenue budget was \$1,775,840. There were no amendments to the revenue budget. The original expenditure budget was \$1,632,800. No budget amendments were considered necessary during the year. Personnel expenditures exceeded the budget for the year by \$5,203. State and local revenue, along with capital outlay expenditures, were less than budget due to timing of construction projects administered by the Michigan Department of Transportation.

# WEST MICHIGAN AIRPORT AUTHORITY

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

**Capital Assets.** During the fiscal year, the Authority invested over \$500,000 rehabilitate its south hangar taxiway area. Certain additional projects are still in progress as of year end. The City retained ownership of capital assets consisting of land, land improvements, building and equipment acquired prior to formation of the Authority.

|                            | Capital Assets<br>(Net of Depreciation) |                     |
|----------------------------|---|---------------------|
|                            | 2013                                    | 2012                |
| Construction in progress   | \$ 725,475                              | \$ 239,895          |
| Land improvements          | 371,227                                 | 322,444             |
| Buildings and improvements | 36,064                                  | 36,893              |
| Equipment                  | 510,026                                 | 542,753             |
| Total capital assets, net  | <u>\$ 1,642,792</u>                     | <u>\$ 1,141,985</u> |

Additional information on the Authority capital assets can be found in Note 5 of this report.

**Debt.** The Authority had no long-term debt at June 30, 2013.

### Economic Factors and Next Year's Budget and Rates

The tax rate remains at 0.10 mills for fiscal year 2014 with property tax revenue anticipated to increase with some growth in the tax base of the taxing jurisdictions. Fiscal year 2014 includes a 2.4% increase in tax base. Recent state reports project a 1.6% increase in tax base for fiscal year 2015.

The general fund budget projects an increase of \$79,550 in fund balance, which includes the \$93,650 Authority local share expended towards capital outlay.

### Requests for Information

This financial report is designed to provide a general overview of the Authority for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Michelle Price, West Michigan Airport Authority, 270 River Ave., Holland, Michigan 49423.

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## BASIC FINANCIAL STATEMENTS

# WEST MICHIGAN AIRPORT AUTHORITY

## Statement of Net Position

June 30, 2013

|                                       | Governmental<br>Activities |
|---------------------------------------|----------------------------|
| Assets                                |                            |
| Cash and pooled investments           | \$ 1,004,105               |
| Receivables, net                      | 13,268                     |
| Prepays                               | 10,632                     |
| Capital assets not being depreciated  | 725,475                    |
| Capital assets being depreciated, net | <u>917,317</u>             |
| Total assets                          | <u>2,670,797</u>           |
| Liabilities                           |                            |
| Accounts payables                     | 255,040                    |
| Unearned revenue                      | <u>8,838</u>               |
| Total liabilities                     | <u>263,878</u>             |
| Net position                          |                            |
| Net investment in capital assets      | 1,642,792                  |
| Unrestricted                          | <u>764,127</u>             |
| Total net position                    | <u>\$ 2,406,919</u>        |

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

# WEST MICHIGAN AIRPORT AUTHORITY

## Statement of Activities

For the Year Ended June 30, 2013

| Functions / Programs             | Expenses   | Program Revenues        |  | Net<br>(Expenses)<br>Revenues |
|----------------------------------|------------|-------------------------|--|-------------------------------|
|                                  |            | Charges<br>for Services | Capital<br>Grants and<br>Contributions |                               |
| Governmental activities          |            |                         |  |                               |
| Public works                     | \$ 619,617 | \$ 262,368              | \$ 524,771                             | \$ 167,522                    |
| General revenues                 |            |                         |  |                               |
| Property taxes                   |            |                         |  | 231,445                       |
| Unrestricted investment earnings |            |                         |  | 986                           |
| Total general revenues           |            |                         |  | 232,431                       |
| Change in net position           |            |                         |  | 399,953                       |
| Net position, beginning of year  |            |                         |  | 2,006,966                     |
| Net position, end of year        |            |                         |  | \$ 2,406,919                  |

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

# WEST MICHIGAN AIRPORT AUTHORITY

## Balance Sheet

Governmental Fund  
June 30, 2013

|   | General<br>Fund            |
|---|----------------------------|
| <b>Assets</b>                             |                            |
| Cash and pooled investments               | \$ 1,004,105               |
| Receivables:                              |                            |
| Accounts                                  | 12,742                     |
| Taxes                                     | 132                        |
| Due from other governmental units         | 394                        |
| Prepays                                   | <u>10,632</u>              |
| <b>Total assets</b>                       | <u><u>\$ 1,028,005</u></u> |
| <b>Liabilities</b>                        |                            |
| Accounts payable                          | \$ 11,568                  |
| Due to other governments                  | 243,472                    |
| Unearned revenue                          | <u>8,838</u>               |
| <b>Total liabilities</b>                  | <u>263,878</u>             |
| <b>Fund balance</b>                       |                            |
| Nonspendable                              | 10,632                     |
| Committed                                 | 118,040                    |
| Unassigned                                | <u>635,455</u>             |
| <b>Total fund balance</b>                 | <u>764,127</u>             |
| <b>Total liabilities and fund balance</b> | <u><u>\$ 1,028,005</u></u> |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Reconciliation

Fund Balance of the Governmental Fund  
to Net Position of Governmental Activities  
June 30, 2013

|   |                     |
|---|---------------------|
| Fund balance - governmental fund  | \$ 764,127          |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:             |                     |
| Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund. |                     |
| Capital assets not being depreciated  | 725,475             |
| Capital assets being depreciated, net   | <u>917,317</u>      |
| Net position of governmental activities   | <u>\$ 2,406,919</u> |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

For the Year Ended June 30, 2013

|                                    | General<br>Fund |
|------------------------------------|-----------------|
| Revenues                           |                 |
| Property taxes                     | \$ 231,445      |
| Intergovernmental:                 |                 |
| Federal                            | 509,821         |
| State                              | 14,950          |
| User fees and charges for services | 112,198         |
| Rentals                            | 150,170         |
| Interest income                    | 986             |
|                                    | <hr/>           |
| Total revenues                     | 1,019,570       |
|                                    | <hr/>           |
| Expenditures                       |                 |
| Current:                           |                 |
| Public works                       | 322,059         |
| Capital outlay                     | 798,365         |
|                                    | <hr/>           |
| Total expenditures                 | 1,120,424       |
|                                    | <hr/>           |
| Net changes in fund balance        | (100,854)       |
|                                    |                 |
| Fund balance, beginning of year    | 864,981         |
|                                    | <hr/>           |
| Fund balance, end of year          | \$ 764,127      |
|                                    | <hr/>           |

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Reconciliation

Net Change in Fund Balance of the Governmental Fund  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2013

|  |              |
|--|--------------|
| Net change in fund balance - governmental fund | \$ (100,854) |
|--|--------------|

Amounts reported for *governmental activities* in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

|                                      |                 |
|--------------------------------------|-----------------|
| Capital assets purchased/constructed | 552,469         |
| Depreciation expense                 | <u>(51,662)</u> |

|   |                   |
|---|-------------------|
| Change in net position of governmental activities | <u>\$ 399,953</u> |
|---|-------------------|

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

## WEST MICHIGAN AIRPORT AUTHORITY

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2013

|                                    | Original<br>Budget  | Final<br>Budget     | Actual            | Actual Over<br>(Under) Final<br>Budget |
|------------------------------------|---------------------|---------------------|-------------------|--|
| Revenues                           |                     |                     |                   |  |
| Property taxes                     | \$ 217,300          | \$ 217,300          | \$ 231,445        | \$ 14,145                              |
| Intergovernmental:                 |                     |                     |                   |  |
| Federal                            | 323,000             | 323,000             | 509,821           | 186,821                                |
| State                              | 589,600             | 589,600             | 14,950            | (574,650)                              |
| Local                              | 381,400             | 381,400             | -                 | (381,400)                              |
| User fees and charges for services | 118,340             | 118,340             | 112,198           | (6,142)                                |
| Rentals                            | 139,200             | 139,200             | 150,170           | 10,970                                 |
| Interest income                    | 7,000               | 7,000               | 986               | (6,014)                                |
| Total revenues                     | <u>1,775,840</u>    | <u>1,775,840</u>    | <u>1,019,570</u>  | <u>(756,270)</u>                       |
| Expenditures                       |                     |                     |                   |  |
| Current:                           |                     |                     |                   |  |
| Public works                       | 338,800             | 338,800             | 322,059           | (16,741)                               |
| Capital outlay                     | <u>1,294,000</u>    | <u>1,294,000</u>    | <u>798,365</u>    | <u>(495,635)</u>                       |
| Total expenditures                 | <u>1,632,800</u>    | <u>1,632,800</u>    | <u>1,120,424</u>  | <u>(512,376)</u>                       |
| Net changes in fund balance        | 143,040             | 143,040             | (100,854)         | (243,894)                              |
| Fund balance, beginning of year    | <u>864,981</u>      | <u>864,981</u>      | <u>864,981</u>    | <u>-</u>                               |
| Fund balance, end of year          | <u>\$ 1,008,021</u> | <u>\$ 1,008,021</u> | <u>\$ 764,127</u> | <u>\$ (243,894)</u>                    |

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



## NOTES TO FINANCIAL STATEMENTS

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the West Michigan Airport Authority (the “Authority”) conform to generally accepted accounting principles (“GAAP”) as applicable to governmental units. The following is a summary of the significant accounting policies:

#### The Reporting Entity

The Authority is a municipal corporation governed by an elected, twelve-member Authority Board. As required by generally accepted accounting principles, these financial statements present the financial position and related activity for the West Michigan Airport Authority. The Authority was formed on July 1, 2008 from the former Municipal Airport enterprise fund of the City of Holland (the “City”). The Authority has no component units and is not reported as a component unit of any other governmental unit.

#### *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority. The effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

#### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, any delinquent taxes on real property are paid by the County which is responsible for collecting any outstanding taxes on real property as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue, charges for services and interest are all considered to be susceptible to accrual if collected within 180 days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those accounted for and reported for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

### Cash and cash equivalents

The Authority considers all assets held in the City of Holland, Michigan's pooled cash and investments to be cash equivalents because the investments in the pool are not identifiable to specific funds and the assets can be withdrawn at anytime, similar to a demand deposit account.

State statute authorizes the Authority to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Authority's investment policy allows for all of these types of investments.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end are considered by management to be immaterial.

### Due to/from other governmental units

Amounts due to/from other governments include amounts due to/from grantors for specific programs and capital projects. Program and capital grants are recorded as receivables and revenue at the time reimbursable costs are incurred. Amounts received in advance of costs being incurred are unearned revenue.

### Prepaid items

The Authority incurred expenses prior to year-end for services that will be performed in the next fiscal year. In these situations, the Authority records an asset to reflect the investment in future services.

### Capital assets

Capital assets, which include construction in progress, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The City retained capital assets consisting of land, land improvements, building and equipment acquired prior to formation of the Authority, see lease agreement in Note 9.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

| Assets                     | Years |
|----------------------------|-------|
| Land improvements          | 20    |
| Buildings and improvements | 40    |
| Equipment                  | 3 - 5 |

### Unearned revenue

The Authority reports unearned revenue for prepayments of lease rent.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### Intergovernmental revenue

The Authority's primary source of funding is intergovernmental revenue. This funding includes contributions by the Cities of Holland and Zeeland and Park Township based on collection of a unified millage on property values. Additionally, the Authority benefited from state and federal grant projects administered by the Michigan Department of Transportation on its behalf.

### Use of estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Fund equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Airport Authority Board. A formal resolution of the Airport Authority Board is required to establish, modify, or rescind a fund balance commitment. The Authority reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund. The Airport Authority Board has formally established a fund balance reserve of \$25,000 under a stabilization arrangement (minimum fund balance) to be retained for emergencies. This amount is reported as a component of unassigned fund balance. When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

## 2. BUDGETARY INFORMATION AND COMPLIANCE

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Assistant City Manager of the City of Holland oversees the Authority's operations and is responsible for submitting the proposed operating budget for the following fiscal year to the Authority Board. The Authority Board, during its review, holds a public hearing to obtain taxpayer comments. The budget is legally enacted by resolution of the Board.
2. Any revisions that alter total appropriations of any fund must be approved by the Authority Board. Budgeted appropriations lapse each year; however, appropriations for continuing projects and programs which the Authority intends to complete are included in the budget of the ensuing year.
3. Budgeted amounts are as originally adopted or as amended by the Authority Board during the year. The budgets have been prepared in accordance with generally accepted accounting principles. Supplemental appropriations were not necessary during the year.

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

4. The budget has been adopted on a department level basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.
5. Annual budgets are legally adopted for the General Fund as required by the Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan.

### *Budgetary Compliance*

The Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan requires that all general and special revenue funds adopt annually balanced budgets on the modified accrual basis of accounting. There were no budgetary violations noted for the year ended June 30, 2013.

## 3. DEPOSITS AND INVESTMENTS

The Authority reported cash and pooled investments of \$1,004,105 on the statement of net position as of June 30, 2013. This amount was held by the City of Holland, Michigan's pooled cash and investments on behalf of the Airport.

For note disclosure purposes, the above amounts are all considered to be investments held in the City of Holland, Michigan pooled cash and investments. The Authority's portion of the pool is displayed on the statement of net position. Investments underlying the City of Holland, Michigan pooled cash and investments consist primarily of short-term certificates of deposit, which are carried at cost plus accrued interest, and U.S. Treasury notes, which are carried at fair value. Information regarding interest rate risk and credit risk can be found in the City of Holland, Michigan's Comprehensive Annual Financial Report.

## 4. RECEIVABLES, NET

Receivables, net for the year ended June 30, 2013 were as follows:

|                                   |    |        |
|-----------------------------------|----|--------|
| Accounts                          | \$ | 12,742 |
| Taxes                             |    | 444    |
| Allowance for uncollectible taxes |    | (312)  |
| Due from other governmental units |    | 394    |
|                                   |    | <hr/>  |
|                                   | \$ | 13,268 |
|                                   |    | <hr/>  |

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 was as follows:

|   | Beginning<br>Balance | Additions         | Disposals   | Transfers     | Ending Balance      |
|---|----------------------|-------------------|-------------|---------------|---------------------|
| <b>Governmental Activities</b>              |                      |                   |             |               |                     |
| Capital assets, not being depreciated:      |                      |                   |             |               |                     |
| Construction in progress                    | \$ 239,895           | \$ 537,663        | \$ -        | \$ (52,083)   | \$ 725,475          |
| Capital assets, being depreciated:          |                      |                   |             |               |                     |
| Land improvements                           | 326,798              | 14,806            | -           | 52,083        | 393,687             |
| Buildings & improvements                    | 37,308               | -                 | -           | -             | 37,308              |
| Equipment                                   | 545,449              | -                 | -           | -             | 545,449             |
|   | <u>909,555</u>       | <u>14,806</u>     | <u>-</u>    | <u>52,083</u> | <u>976,444</u>      |
| Less accumulated depreciation for:          |                      |                   |             |               |                     |
| Land improvements                           | (4,354)              | (18,106)          | -           | -             | (22,460)            |
| Buildings & improvements                    | (415)                | (829)             | -           | -             | (1,244)             |
| Equipment                                   | (2,696)              | (32,727)          | -           | -             | (35,423)            |
|   | <u>(7,465)</u>       | <u>(51,662)</u>   | <u>-</u>    | <u>-</u>      | <u>(59,127)</u>     |
| Total capital assets being depreciated, net | <u>902,090</u>       | <u>(36,856)</u>   | <u>-</u>    | <u>52,083</u> | <u>917,317</u>      |
| Governmental activities capital assets, net | <u>\$ 1,141,985</u>  | <u>\$ 500,807</u> | <u>\$ -</u> | <u>\$ -</u>   | <u>\$ 1,642,792</u> |

The Authority had active construction projects at year end. At June 30, 2013, the Authority had commitments of approximately \$23,000.

### 6. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Authority classifies fund balance based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in the governmental fund. Detailed information on fund balance of the governmental fund is as follows:

|                              |                   |
|------------------------------|-------------------|
| Nonspendable - prepaids      | \$ 10,632         |
| Committed - capital projects | 118,040           |
| Unassigned                   | <u>635,455</u>    |
| Total fund balance           | <u>\$ 764,127</u> |

# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 7. LITIGATION/CONTINGENT LIABILITY

In the normal course of its activities, the Authority has become a party in various legal actions, including property tax assessment appeals. Management of the Authority is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Authority and, therefore, has not reflected loss reserves in the financial statements.

### 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. Employee-related risk management is provided by the City as the Authority leases its employees from the City. The land occupied by the Authority is owned by the City and is self-insured by the City. Project liability and general liability are insured by commercial policies held by the Authority.

### 9. LEASE COMMITMENT

The Authority leases Tulip City Airport from the City for \$1,000 per year for a period of 50 continuous years after the commencement of the lease, to expire in 2058. The City has title to the premises and upon termination of the lease, will obtain title to all improvements, fixtures or other types of fixed property appurtenant to the buildings and property located thereon. The Authority is responsible for insurance on premises, liability coverage and all other insurance policies.

### 10. FEDERAL REVENUE

The Authority receives grant awards from various sources to administer programs and fund capital improvements. When an award is directly administered by the Authority, the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* are applicable. The Authority did not receive any federal funds in this manner for the year ended June 30, 2013. However, in certain instances, the Authority is an indirect beneficiary of the federal funds that are expended directly by the Michigan Department of Transportation. These expenditures are included in the single audit for the State of Michigan. Detail of the Authority's expenditures of federal awards for the year ended June 30, 2013 is as follows:

| Award Name   | Award Number   | Indirectly Administered |
|--|----------------|-------------------------|
| Environmental assessment and preliminary engineering on new terminal project | D-26-0045-3512 | \$ 27,375               |
| South hangar rehabilitation project  | E-26-0045-3309 | 476,584                 |
| Master plan study and update   | B-26-0045-3006 | <u>5,862</u>            |
| Total federal revenue  |                | <u>\$ 509,821</u>       |



# WEST MICHIGAN AIRPORT AUTHORITY

## Notes to Financial Statements

### 11. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Authority adopted Statement of Governmental Accounting Standards (GASB Statement) No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. While certain terminology changed, there was no net effect on beginning equity.

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INDEPENDENT AUDITORS' 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*

November 27, 2013

Airport Authority Board  
West Michigan Airport Authority  
Holland, Michigan

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 governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. 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 Authority'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.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The script is cursive and fluid, with the letters "R", "L", and "C" being particularly prominent.

**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

November 27, 2013

Airport Authority Board Members  
West Michigan Airport Authority  
Holland, Michigan

We have audited the financial statements of the governmental activities and the general fund of the *West Michigan Airport Authority* (the "Authority") for the year ended June 30, 2013, and have issued our report thereon dated November 27, 2013. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated July 30, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on August 5, 2013.

**Significant Results of the Audit***Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 11 to the financial statements, the Authority adopting Statement of Governmental Accounting Standards (GASB Statement) No. 63,

*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. While certain terminology changed, there was no net effect on beginning equity. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Upcoming Changes in Accounting Standards*

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated November 27, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the West Michigan Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment A - Comments and Recommendations

For the June 30, 2013 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the Authority's internal control over financial reporting is described in our report, dated November 27, 2013, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated November 27, 2013, on the financial statements of the West Michigan Airport Authority.

### *Allocation of Payroll Costs*

The Authority shares certain staff with the City of Holland, Michigan. A portion of these employees' time is manually allocated monthly to the Authority based on pre-determined percentages. These percentages are based on the Authority's 'best practices', however no formal time study has been performed to support these rates. We recommend the Authority perform such a study to support the portion of wages allocated.

### *Level of Budgetary Control*

The State requires the minimum level of detail of the budget to be department, although a lesser threshold can be adopted for the budget control. Violations of the budget control are required to be reported. We recommend the Airport incorporate into its annual budget resolution a definition of what it considers the legal level of budgetary control.

■ ■ ■ ■ ■



# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “pronouncements” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 66 ■ 2012 Technical Corrections (an Amendment to GASB 10 and GASB 62)**

*Effective 12/15/2013 (your FY 2014)*

This standard was issued to eliminate conflicting guidance that resulted from the issuance of GASB 54 and GASB 62, which are both already effective. GASB 10 was amended to allow for risk financing activities to be accounted for in whichever fund type is most applicable (no longer limited to the general fund or an internal service fund). GASB 62 was amended to modify specific guidance related to (1) operating leases with scheduled rent increases, (2) purchase of loans at an amount other than the principal amount, and (3) service fees related to mortgages that are sold when the service rate varies significantly from the current (normal) service fees.

We do not expect GASB 66 to have any significant impact on the Authority at this time.

### **GASB 67 ■ Financial Reporting for Pension Plans**

*Effective 06/15/2014 (your FY 2014)*

This standard establishes the requirements for pension plans administered by trusts to report on their operations, including setting new uniform requirements for actuarial valuations of the total pension liability, and reporting various 10-year trend data as required supplementary information. The financial statements of pension plans will not change substantially as a result of GASB 67, though the additional note disclosures and required supplementary information will be significant. Additionally, actuarial valuations conducted in accordance with GASB 67 will have to match the government’s fiscal year, or be rolled forward to that date by the actuary.

Because the Authority does not maintain its own pension trust fund, we do not expect GASB 67 to have any significant impact on the Authority at this time.

### **GASB 68 ■ Accounting and Financial Reporting for Pensions**

*Effective 06/15/2015 (your FY 2015)*

This standard establishes new requirements for governments to report a “net pension liability” for the unfunded portion of its pension plan. Governments that maintain their own pension plans (either single employer or agent multiple-employer) will report a liability for the difference between the total pension liability calculated in accordance with GASB 67 and the amount held in the pension trust fund. Governments that participate in a cost sharing plan will report a liability for their “proportionate share” of the net pension liability of the entire system.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

Historically, governments have only been required to report a net pension obligation to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net pension liability based on the current funded status of their pension plans. This liability would be limited to the government-wide financial statements. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB 68 also requires more extensive note disclosures and required supplementary information, including 10 years of historical information. The methods used to determine the discount rate (the assumed rate of return on plan assets held in trust) are mandated and must be disclosed, along with what the impact would be on the net pension liability if that rate changed by 1% in either direction. Other new disclosure requirements include details of the changes in the components of the net pension liability, comparisons of actual employer contributions to actuarially determined contributions, and ratios to put the net pension liability in context. For single-employer and agent multiple-employer plans, the information for these statements will come from the annual actuarial valuation. For cost sharing plans, this information will be derived from the financial reports of the plan itself, multiplied by the government's proportionate share of plan.

GASB 67 and 68 are only applicable to pension plans. However, the GASB has announced its intent to issue similar standards for other postemployment benefits (e.g., retiree healthcare) on a two year delay from these standards.

### **GASB 69 ■ Government Combinations and Disposals of Government Operations**

*Effective 12/15/2014 (your FY 2015)*

This standard provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity.

Given the infrequent nature of these types of events, we do not expect this standard to have any impact on the Authority at this time.

# WEST MICHIGAN AIRPORT AUTHORITY

## Attachment B - Upcoming Changes in Accounting Standards

For the June 30, 2013 Audit

### GASB 70 ■ Nonexchange Financial Guarantees

*Effective 06/15/2014 (your FY 2014)*

This standard addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is “more likely than not” that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements.

We do not expect GASB 70 to have any significant impact on the Authority at this time.

■ ■ ■ ■ ■

## West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423

P (616) 355-1310 F (616) 546-7056

*Comprising City of Zeeland, Park Township and City of Holland*



November 27, 2013

Rehmann Robson  
2330 East Paris Ave. SE  
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the general fund of the **West Michigan Airport Authority** (the "Authority"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations, and the budgetary comparison for the General Fund of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 27, 2013:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 30, 2013, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

*The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

## West Michigan Airport Authority

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Comprising City of Zeeland, Park Township and City of Holland



9. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
10. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All components of net position and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Special items and extraordinary items have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

### Information Provided

22. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.

*The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

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24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
25. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
26. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
27. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
29. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
30. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
31. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
33. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
34. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

## West Michigan Airport Authority

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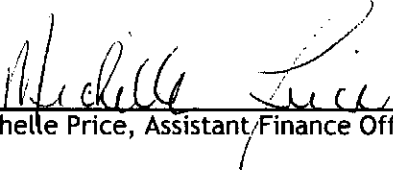


### Required Supplementary Information

37. With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

 11.27.13  
\_\_\_\_\_  
Greg Robinson, Assistant City Manager

 11.27.13  
\_\_\_\_\_  
Michelle Price, Assistant Finance Officer



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| Security Report                      | Six digit MuniCode+Form Number+SecRpt (Example: 7912113892SecRpt)       |
| Assessing Officer Report             | Six digit MuniCode+Fiscal Year+AOR4564 (Example: 7912112009AOR4564)     |
| Qualifying Statement                 | Six digit MuniCode + Fiscal Year + QStmt (Example: 7830402012Qstmt)     |
| Qualifying Statement Reconsideration | Six digit MuniCode + Fiscal Year + QSrecon (Example: 7830402012QSrecon) |

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**West Michigan Airport Authority  
2013**

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**Note:** For filing instructions for both the audit report and the Auditing Procedures Report see numbered letter [2008-4](#). To obtain form [click here](#).

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# ***WMAA MONTHLY FBO REPORT***

|   |  |   |   |  |
|---|--|---|---|--|
| <b>Total Fuel Gallons<br/>Delivered</b> | <b>Current<br/>Month<br/>Dec-13<br/>34,990</b> | <b>One<br/>Year ago<br/>Dec-12<br/>51,415</b> | <b>Fiscal Year<br/>To Date<br/>10/01/13-9/30/14<br/>134,933</b> | <b>F/Y to Date<br/>Compared<br/>2013<br/>-59,203</b> |
|---|--|---|---|--|

|                           |          |
|---------------------------|----------|
| <b>Transplant Flights</b> | <b>0</b> |
|---------------------------|----------|

**Wings Of Mercy Flights**

|  |          |
|--|----------|
| <b>Freight Flights From/To Holland</b> | <b>4</b> |
| 2-Cessna 310    2-Falcon 20            |          |

**Notable Activities**

## West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423  
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*Comprising City of Zeeland, Park Township and City of Holland*



**DATE:** January 13, 2014

**SUBJECT:** WMAA Communications Committee Board Update

Page 1 of 2

Tier 1 *(most important)*

### **UPDATE WEBSITE ON A CONTINUAL BASIS**

- Please check the WMRA website for news and updates and to view the new airport video.  
([www.WestMichiganRegionalAirport.com](http://www.WestMichiganRegionalAirport.com))

### **SOCIAL NETWORKING**

- WMRA's Facebook page is online listed as "West Michigan Regional Airport." Please take a moment to visit and "Like" the page, make a comment, and share with colleagues, friends and family.

A Facebook promotion was held last week and the page "likes" continue to grow.

Below are two photos taken by Sandy Hansen and shared on the WMRA Facebook page.



### **WMAA JET FLOAT IN TULIP TIME MUZIEKPARADE** Saturday, May 11, 2013

- The new jet float was a huge success and received a "Directors" award from the Tulip Time Board.

Tier 2 *(important)*

### **PRESS RELEASES/NEWS ARTICLES**

- As needed.

### **2013 PARADES & EVENTS**

- The Wings\_of Mercy CareAffaire fundraiser was held on Saturday, August 24.
- WMAA participated in ZEELMANIA's "Things that Go" night on Monday, August 19.
- The WMRA Jet Float made its second appearance in Zeeland's Pumpkinfest Parade on Saturday, October 5.
- The WMRA Jet Float was arrayed in lights taking off from the North Pole at Holland's Parade of Lights on Tuesday, December 3.

## West Michigan Airport Authority

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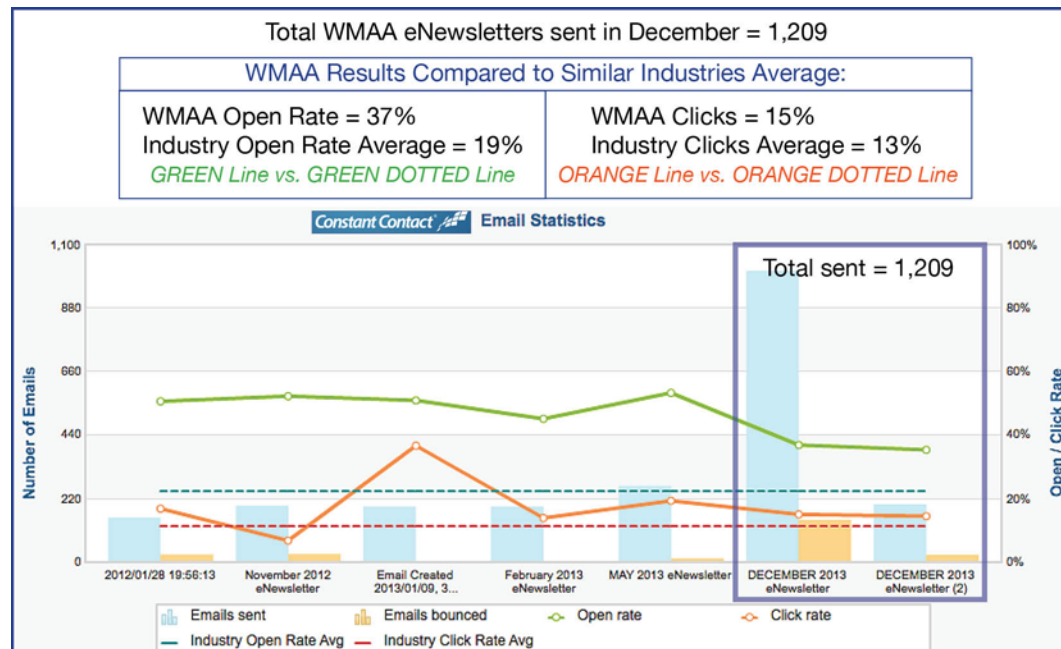
Page 2 of 2

### PRESENTATIONS/SPEAKING ENGAGEMENTS

- Please let a Communications Committee member know if a business or organization is interested in scheduling an airport presentation or speaking engagement.

TIER 3 *(less important)*

### eNEWSLETTER

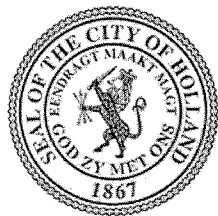


### OTHER ACTIVITIES

- A brochure promoting the new terminal is designed and printed.
- In partnership with Holland Public TV, the new, three-minute airport video can be viewed on the WMRA website and Facebook page. The video will be shared with area businesses/organizations to show how our airport is an important economic development tool and to help with new business development.
- An informational Postcard to the Community is being designed and will be mailed in February.

Please contact Karen if you have any questions or comments.

k.scholten@cityofholland.com O 616.355.1305 H 616.399.8509



# Budget Performance Report

Fiscal Year to Date 01/07/14

Exclude Rollup Account

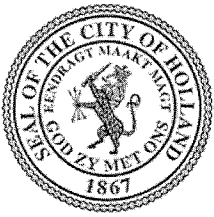
| Account                                  | Account Description                                 | Adopted<br>Budget | Budget<br>Amendments | Amended<br>Budget | Current Month<br>Transactions | YTD<br>Encumbrances | YTD<br>Transactions | Budget - YTD<br>Transactions | % used/<br>Rec'd | Prior Year Total |
|--|---|-------------------|----------------------|-------------------|-------------------------------|---------------------|---------------------|------------------------------|------------------|------------------|
| Fund 201 - WMAA (Airport) General Fund   |   |                   |                      |                   |                               |                     |                     |                              |                  |                  |
| REVENUE                                  |   |                   |                      |                   |                               |                     |                     |                              |                  |                  |
| Department 000 - General Revenues        |   |                   |                      |                   |                               |                     |                     |                              |                  |                  |
| 420502.23                                | Federal Grant FAA Entitlement-Capital               | .00               | 245,650.00           | 245,650.00        | .00                           | .00                 | .00                 | 245,650.00                   | 0                | .00              |
| 420502.24                                | Federal Grant FAA Capital                           | .00               | 15,350.00            | 15,350.00         | .00                           | .00                 | .00                 | 15,350.00                    | 0                | 509,821.29       |
| 430502.24                                | State Grant MDOT State Capital                      | .00               | 1,054,350.00         | 1,054,350.00      | .00                           | .00                 | .00                 | 1,054,350.00                 | 0                | 14,950.49        |
| 450582.C                                 | Contributions from Other Govts From City of Holland | .00               | 97,000.00            | 97,000.00         | .00                           | .00                 | 103,162.26          | (6,162.26)                   | 106              | 97,404.28        |
| 450582.P                                 | Contributions from Other Govts From Park Township   | .00               | 87,000.00            | 87,000.00         | .00                           | .00                 | .13                 | 86,999.87                    | 0                | 87,909.50        |
| 450582.Z                                 | Contributions from Other Govts From City of Zeeland | .00               | 46,800.00            | 46,800.00         | .00                           | .00                 | 47,311.51           | (511.51)                     | 101              | 46,131.38        |
| 460621.9                                 | Fees-Agreements Emergency Services Fee              | .00               | .00                  | .00               | .00                           | .00                 | 175.85              | (175.85)                     | +++              | 173.04           |
| 460654.1                                 | Franchise Fees FBO Franchise Fees                   | .00               | 21,800.00            | 21,800.00         | .00                           | .00                 | 9,999.96            | 11,800.04                    | 46               | 19,999.92        |
| 460654.5                                 | Franchise Fees Fuel Flowage Fee                     | .00               | 65,000.00            | 65,000.00         | .00                           | .00                 | 26,033.69           | 38,966.31                    | 40               | 59,238.13        |
| 460654.7                                 | Franchise Fees Landing Fees                         | .00               | 35,000.00            | 35,000.00         | .00                           | .00                 | 11,284.98           | 23,715.02                    | 32               | 32,787.07        |
| 480665.0                                 | Investment Income General                           | .00               | 7,000.00             | 7,000.00          | .00                           | .00                 | 2,106.76            | 4,893.24                     | 30               | 4,255.80         |
| 480665.X                                 | Investment Income Market Adjustment                 | .00               | .00                  | .00               | .00                           | .00                 | .00                 | .00                          | +++              | (3,269.51)       |
| 480669.24                                | Rental Hangar Land Lease                            | .00               | 86,000.00            | 86,000.00         | .00                           | .00                 | 81,976.85           | 4,023.15                     | 95               | 84,639.76        |
| 480669.25                                | Rental Agricultural Land Lease                      | .00               | 12,200.00            | 12,200.00         | .00                           | .00                 | 11,129.04           | 1,070.96                     | 91               | 11,070.00        |
| 480669.26                                | Rental T-Hangars                                    | .00               | 55,000.00            | 55,000.00         | .00                           | .00                 | 28,900.00           | 26,100.00                    | 53               | 54,460.00        |
| Department 000 - General Revenues Totals |   | \$0.00            | \$1,828,150.00       | \$1,828,150.00    | \$0.00                        | \$0.00              | \$322,081.03        | \$1,506,068.97               | 18%              | \$1,019,571.15   |
| REVENUE TOTALS                           |   | \$0.00            | \$1,828,150.00       | \$1,828,150.00    | \$0.00                        | \$0.00              | \$322,081.03        | \$1,506,068.97               | 18%              | \$1,019,571.15   |
| EXPENSE                                  |   |                   |                      |                   |                               |                     |                     |                              |                  |                  |
| Department 540 - Airport Operations      |   |                   |                      |                   |                               |                     |                     |                              |                  |                  |
| 710701.3                                 | Payroll-Regular Allocated                           | .00               | 57,000.00            | 57,000.00         | 5,052.50                      | .00                 | 35,367.50           | 21,632.50                    | 62               | 54,720.00        |
| 710707.8                                 | Payroll-Temporary Help Allocated                    | .00               | 14,000.00            | 14,000.00         | .00                           | .00                 | 6,472.76            | 7,527.24                     | 46               | 12,982.97        |
| 721730.0                                 | Postage General                                     | .00               | 300.00               | 300.00            | .00                           | .00                 | 1.38                | 298.62                       | 0                | 15.75            |
| 721905.0                                 | Photocopies/In-House Printing General               | .00               | 100.00               | 100.00            | .00                           | .00                 | 10.92               | 89.08                        | 11               | 214.64           |
| 721931.0                                 | Bldg & Grnds Maint General                          | .00               | 15,000.00            | 15,000.00         | .00                           | 1,800.00            | 4,793.00            | 8,407.00                     | 44               | .00              |
| 721933.0                                 | Equipment Maintenance General                       | .00               | 18,000.00            | 18,000.00         | .00                           | .00                 | 12,793.50           | 5,206.50                     | 71               | 12,592.48        |
| 722801.9010                              | Contr-Printing/Promo Advertising/Promotional        | .00               | 30,000.00            | 30,000.00         | .00                           | .00                 | 2,629.82            | 27,370.18                    | 9                | 40,689.52        |
| 722804.0                                 | Contractual-Legal General                           | .00               | 7,500.00             | 7,500.00          | .00                           | .00                 | 710.50              | 6,789.50                     | 9                | 12,206.92        |
| 722805.1                                 | Contractual-Finance Independent Audit               | .00               | 6,000.00             | 6,000.00          | .00                           | .00                 | 6,500.00            | (500.00)                     | 108              | 5,900.00         |
| 722805.4                                 | Contractual-Finance Financial Service Fees          | .00               | .00                  | .00               | .00                           | .00                 | 121.58              | (121.58)                     | +++              | 237.60           |
| 722807.2                                 | Contractual-Architect/Engineer Plan Development     | .00               | .00                  | .00               | .00                           | .00                 | .00                 | .00                          | +++              | 7,828.07         |
| 722807.5                                 | Contractual-Architect/Engineer Engineering          | .00               | 1,000.00             | 1,000.00          | .00                           | .00                 | .00                 | 1,000.00                     | 0                | .00              |
| 722808.8                                 | Contr-Bldgs&Grnds Tree Clearing                     | .00               | .00                  | .00               | .00                           | .00                 | .00                 | .00                          | +++              | 12,401.75        |
| 722808.MOW                               | Contr-Bldgs&Grnds Mowing                            | .00               | 30,000.00            | 30,000.00         | .00                           | .00                 | 15,004.13           | 14,995.87                    | 50               | 36,157.00        |
| 722808.MTCE                              | Contr-Bldgs&Grnds Maintenance-General Repairs       | .00               | 15,000.00            | 15,000.00         | .00                           | .00                 | 6,588.44            | 8,411.56                     | 44               | 16,745.77        |
| 722808.SNOW                              | Contr-Bldgs&Grnds Snowplowing                       | .00               | 50,000.00            | 50,000.00         | .00                           | .00                 | 4,297.75            | 45,702.25                    | 9                | 32,043.75        |
| 722809.61                                | Contractual-Misc Contract-Management Services       | .00               | 32,000.00            | 32,000.00         | 2,165.83                      | .00                 | 15,160.85           | 16,839.15                    | 47               | 27,030.00        |
| 722809.62                                | Contractual-Misc Airport Manager-Tulip City Air     | .00               | 5,000.00             | 5,000.00          | .00                           | .00                 | 1,580.52            | 3,419.48                     | 32               | 3,962.56         |
| 723850.0                                 | Communications Telephone                            | .00               | 300.00               | 300.00            | .00                           | .00                 | 119.60              | 180.40                       | 40               | 274.91           |



# Budget Performance Report

Fiscal Year to Date 01/07/14  
Exclude Rollup Account

| Account  | Account Description                      | Adopted<br>Budget | Budget<br>Amendments  | Amended<br>Budget     | Current Month<br>Transactions | YTD<br>Encumbrances | YTD<br>Transactions | Budget - YTD<br>Transactions | % used/<br>Rec'd | Prior Year Total      |
|--|--|-------------------|-----------------------|-----------------------|-------------------------------|---------------------|---------------------|------------------------------|------------------|-----------------------|
| <b>Fund Z01 - WMAA (Airport) General Fund</b>        |  |                   |                       |                       |                               |                     |                     |                              |                  |                       |
| <b>EXPENSE</b>                                       |  |                   |                       |                       |                               |                     |                     |                              |                  |                       |
| <b>Department 540 - Airport Operations</b>           |  |                   |                       |                       |                               |                     |                     |                              |                  |                       |
| 723860.0   | Travel, Conf, Seminars General           | .00               | 1,000.00              | 1,000.00              | .00                           | .00                 | 113.97              | 886.03                       | 11               | 705.56                |
| 723910.0   | Commercial Insurance Premiums General    | .00               | 21,300.00             | 21,300.00             | .00                           | .00                 | 18,726.00           | 2,574.00                     | 88               | 19,421.00             |
| 723920.GATE  | Public Utilities Fence Gates             | .00               | 500.00                | 500.00                | .00                           | .00                 | 71.17               | 428.83                       | 14               | 365.45                |
| 723920.LAND  | Public Utilities Landing Lights & System | .00               | 15,000.00             | 15,000.00             | .00                           | .00                 | 1,208.67            | 13,791.33                    | 8                | 3,444.54              |
| 723920.PLOT  | Public Utilities Parking Lot Lights      | .00               | 700.00                | 700.00                | .00                           | .00                 | 260.35              | 439.65                       | 37               | 1,189.66              |
| 723920.RUNW  | Public Utilities Runway Lights           | .00               | 4,500.00              | 4,500.00              | .00                           | .00                 | 1,639.73            | 2,860.27                     | 36               | 4,762.95              |
| 723920.THAN  | Public Utilities T-Hangars               | .00               | 2,400.00              | 2,400.00              | .00                           | .00                 | 927.38              | 1,472.62                     | 39               | 3,471.65              |
| 723955.0   | Misc. General                            | .00               | 3,000.00              | 3,000.00              | .00                           | .00                 | 533.36              | 2,466.64                     | 18               | 2,309.60              |
| 723955.55  | Misc. Election Costs                     | .00               | .00                   | .00                   | .00                           | .00                 | .00                 | .00                          | +++              | 9,529.01              |
| 723961.0   | Dues & Subscriptions General             | .00               | .00                   | .00                   | .00                           | .00                 | 70.00               | (70.00)                      | +++              | 70.00                 |
| 723963.2   | Write-Offs W/O Uncoll Property Taxes     | .00               | .00                   | .00                   | .00                           | .00                 | .00                 | .00                          | +++              | 18.76                 |
| 723964.2   | Refunds Property Tax Prior Years         | .00               | .00                   | .00                   | .00                           | .00                 | 20.36               | (20.36)                      | +++              | 768.90                |
| 730971.0   | Land General                             | .00               | 925,000.00            | 925,000.00            | .00                           | .00                 | .00                 | 925,000.00                   | 0                | .00                   |
| 730974.0   | Land Improvements General                | .00               | .00                   | .00                   | .00                           | .00                 | 18,988.98           | (18,988.98)                  | +++              | 798,364.94            |
| 730975.0   | Buildings & Structures General           | .00               | 484,000.00            | 484,000.00            | .00                           | .00                 | 3,600.00            | 480,400.00                   | 1                | .00                   |
| 770956.0   | Contingency General                      | .00               | 10,000.00             | 10,000.00             | .00                           | .00                 | .00                 | 10,000.00                    | 0                | .00                   |
| <b>Department 540 - Airport Operations Totals</b>    |  | <b>\$0.00</b>     | <b>\$1,748,600.00</b> | <b>\$1,748,600.00</b> | <b>\$7,218.33</b>             | <b>\$1,800.00</b>   | <b>\$158,312.22</b> | <b>\$1,588,487.78</b>        | <b>9%</b>        | <b>\$1,120,425.71</b> |
| <b>EXPENSE TOTALS</b>                                |  | <b>\$0.00</b>     | <b>\$1,748,600.00</b> | <b>\$1,748,600.00</b> | <b>\$7,218.33</b>             | <b>\$1,800.00</b>   | <b>\$158,312.22</b> | <b>\$1,588,487.78</b>        | <b>9%</b>        | <b>\$1,120,425.71</b> |
| <b>Fund Z01 - WMAA (Airport) General Fund Totals</b> |  |                   |                       |                       |                               |                     |                     |                              |                  |                       |
| <b>REVENUE TOTALS</b>                                |  | <b>.00</b>        | <b>1,828,150.00</b>   | <b>1,828,150.00</b>   | <b>.00</b>                    | <b>.00</b>          | <b>322,081.03</b>   | <b>1,506,068.97</b>          | <b>18</b>        | <b>1,019,571.15</b>   |
| <b>EXPENSE TOTALS</b>                                |  | <b>.00</b>        | <b>1,748,600.00</b>   | <b>1,748,600.00</b>   | <b>7,218.33</b>               | <b>1,800.00</b>     | <b>158,312.22</b>   | <b>1,588,487.78</b>          | <b>9</b>         | <b>1,120,425.71</b>   |
| <b>Fund Z01 - WMAA (Airport) General Fund Totals</b> |  | <b>\$0.00</b>     | <b>\$79,550.00</b>    | <b>\$79,550.00</b>    | <b>(\$7,218.33)</b>           | <b>(\$1,800.00)</b> | <b>\$163,768.81</b> | <b>(\$82,418.81)</b>         |                  | <b>(\$100,854.56)</b> |
| <b>Grand Totals</b>                                  |  |                   |                       |                       |                               |                     |                     |                              |                  |                       |
| <b>REVENUE TOTALS</b>                                |  | <b>.00</b>        | <b>1,828,150.00</b>   | <b>1,828,150.00</b>   | <b>.00</b>                    | <b>.00</b>          | <b>322,081.03</b>   | <b>1,506,068.97</b>          | <b>18</b>        | <b>1,019,571.15</b>   |
| <b>EXPENSE TOTALS</b>                                |  | <b>.00</b>        | <b>1,748,600.00</b>   | <b>1,748,600.00</b>   | <b>7,218.33</b>               | <b>1,800.00</b>     | <b>158,312.22</b>   | <b>1,588,487.78</b>          | <b>9</b>         | <b>1,120,425.71</b>   |
| <b>Grand Totals</b>                                  |  | <b>\$0.00</b>     | <b>\$79,550.00</b>    | <b>\$79,550.00</b>    | <b>(\$7,218.33)</b>           | <b>(\$1,800.00)</b> | <b>\$163,768.81</b> | <b>(\$82,418.81)</b>         |                  | <b>(\$100,854.56)</b> |



# Fund Equity Changes Report

Through 01/07/14

Detail Listing

Exclude Rollup Account

| Account  | Account Description   | Beginning<br>Balance | YTD Credits   | YTD Debits    | Current Balance     | Prior Year Fund<br>Equity Adjustment | YTD Revenues        | YTD Expenses        | Estimate<br>Fund Balance |
|--|---|----------------------|---------------|---------------|---------------------|--------------------------------------|---------------------|---------------------|--------------------------|
| Fund Category  | <b>GOVERNMENTAL</b>   |                      |               |               |                     |                                      |                     |                     |                          |
| Fund Type  | <b>GENERAL FUND</b>   |                      |               |               |                     |                                      |                     |                     |                          |
| Fund   | <b>Z01 - WMAA (Airport) General Fund</b>                        |                      |               |               |                     |                                      |                     |                     |                          |
| 341390.E   | Fund Balance - Assigned (By Action) For Emergencies             | 25,000.00            | .00           | .00           | 25,000.00           |                                      |                     |                     |                          |
| 341390.R   | Fund Balance - Assigned (By Action) For Capital<br>Acquisitions | 142,421.00           | .00           | .00           | 142,421.00          |                                      |                     |                     |                          |
| 342390   | Fund Balance-Unassigned   | 697,560.17           | .00           | .00           | 697,560.17          |                                      |                     |                     |                          |
| 345390.C   | Fund Balance Committed (By Resolution) For Capital<br>Projects  | .00                  | .00           | .00           | .00                 |                                      |                     |                     |                          |
| 345390.E   | Fund Balance Committed (By Resolution) For<br>Emergencies       | .00                  | .00           | .00           | .00                 |                                      |                     |                     |                          |
| Fund <b>Z01 - WMAA (Airport) General Fund Totals</b> |   | <b>\$864,981.17</b>  | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$864,981.17</b> | <b>(\$100,854.56)</b>                | <b>\$322,081.03</b> | <b>\$158,312.22</b> | <b>\$927,895.42</b>      |
| Fund Type <b>GENERAL FUND Totals</b>                 |   | <b>\$864,981.17</b>  | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$864,981.17</b> | <b>(\$100,854.56)</b>                | <b>\$322,081.03</b> | <b>\$158,312.22</b> | <b>\$927,895.42</b>      |
| Fund Category <b>GOVERNMENTAL Totals</b>             |   | <b>\$864,981.17</b>  | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$864,981.17</b> | <b>(\$100,854.56)</b>                | <b>\$322,081.03</b> | <b>\$158,312.22</b> | <b>\$927,895.42</b>      |
| Grand Totals   |   | <b>\$864,981.17</b>  | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$864,981.17</b> | <b>(\$100,854.56)</b>                | <b>\$322,081.03</b> | <b>\$158,312.22</b> | <b>\$927,895.42</b>      |

City of Holland  
**Payment Batch Register**  
 Bank Account: CITY AP - PAYABLES ACCOUNT  
 Batch Date: 12/31/2013

| Type  | Date       | Number Source          | Payee Name                                 | EFT Bank/Account                                | Transaction Amount |
|---|------------|------------------------|--|---|--------------------|
| <b>Bank Account: CITY AP - PAYABLES ACCOUNT</b> |            |                        |  |   |                    |
| Check   | 01/02/2014 | 17003 Accounts Payable | GREG ROBINSON                              |   | 6.22               |
|   | Invoice    | Date                   | Description                                |   | Amount             |
|   |            | 2014-00002066          | 12/23/2013                                 | WMRA - MILEAGE REIMBURSEMENT 11 MILES           | 6.22               |
| Check   | 01/02/2014 | 17004 Accounts Payable | HOLLAND BOARD OF PUBLIC WORKS              |   | 1,043.38           |
|   | Invoice    | Date                   | Description                                |   | Amount             |
|   |            | 2014-00002067          | 12/31/2013                                 | WMRA - MONTHLY UTILITY BILLINGS                 | 1,043.38           |
| Check   | 01/02/2014 | 17005 Accounts Payable | MICHIGAN ASSOCIATION OF AIRPORT EXECUTIVES |   | 70.00              |
|   | Invoice    | Date                   | Description                                |   | Amount             |
|   |            | 14-362                 | 12/06/2013                                 | WMRA - 2014 MAAE MEMBERSHIP DUES FOR G.ROBINSON | 70.00              |
| CITY AP PAYABLES ACCOUNT Totals:                |            |                        | Transactions: 3                            |   | \$1,119.60         |
| Checks:   |            | 3                      | \$1,119.60                                 |   |                    |

City of Holland  
**Payment Batch Register**  
 Bank Account: CITY AP - PAYABLES ACCOUNT  
 Batch Date: 12/18/2013

| Type  | Date       | Number Source          | Payee Name                | EFT Bank/Account   | Transaction Amount |
|---|------------|------------------------|---------------------------|--|--------------------|
| <b>Bank Account: CITY AP - PAYABLES ACCOUNT</b> |            |                        |                           |  |                    |
| Check   | 12/19/2013 | 16797 Accounts Payable | CATERING CONCEPTS         |  | 134.50             |
|   | Invoice    | Date                   | Description               |  | Amount             |
|   |            | 12131303               | 12/13/2013                | AIRPORT - FOOD FOR MEETING ON 12/9/1                         | 134.50             |
| Check   | 12/19/2013 | 16798 Accounts Payable | CUNNINGHAM DALMAN P.C.    |  | 253.75             |
|   | Invoice    | Date                   | Description               |  | Amount             |
|   |            | 205024                 | 12/13/2013                | ATTORNEY SERVICES JCI PROPERTY PURCHASE                      | 253.75             |
| Check   | 12/19/2013 | 16799 Accounts Payable | HARRIS AIRPORT SYSTEMS    |  | 4,675.00           |
|   | Invoice    | Date                   | Description               |  | Amount             |
|   |            | 1380                   | 12/05/2013                | QUARTERLY MAINTENANCE FEE EQUIPMENT CALIBRATION              | 4,675.00           |
| Check   | 12/19/2013 | 16800 Accounts Payable | HUB INTERNATIONAL MIDWEST |  | 8,094.00           |
|   | Invoice    | Date                   | Description               |  | Amount             |
|   |            | 2014-00002009          | 12/19/2013                | INSURANCE FOR PERIOD OF JULY 1, 2013 - JULY 1, 2014          | 8,094.00           |
| Check   | 12/19/2013 | 16801 Accounts Payable | REHMANN ROBSON PC         |  | 500.00             |
|   | Invoice    | Date                   | Description               |  | Amount             |
|   |            | RR186684               | 11/26/2013                | ADDITIONAL BILLING FOR WMAA FOR IMPLEMENTATION OF GASB 63/65 | 500.00             |
| CITY AP PAYABLES ACCOUNT Totals:                |            |                        | Transactions: 5           |  | \$13,657.25        |
| Checks:   |            | 5                      | \$13,657.25               |  |                    |



City of Holland  
**Payment Batch Register**  
 Bank Account: CITY AP - PAYABLES ACCOUNT  
 Batch Date: 12/11/2013

| Type  | Date       | Number Source          | Payee Name                    | EFT Bank/Account  | Transaction Amount |
|---|------------|------------------------|-------------------------------|---|--------------------|
| <b>Bank Account: CITY AP - PAYABLES ACCOUNT</b> |            |                        |                               |   |                    |
| Check   | 12/12/2013 | 16672 Accounts Payable | HOLLAND BOARD OF PUBLIC WORKS |   | 103.26             |
|   | Invoice    | Date                   | Description                   |   | Amount             |
|   |            | 2014-00001929          | 11/26/2013                    | WMRA MONTHLY UTILITY BILLING                                  | 103.26             |
| Check   | 12/12/2013 | 16673 Accounts Payable | KAREN SCHOLTEN                |   | 150.78             |
|   | Invoice    | Date                   | Description                   |   | Amount             |
|   |            | 2014-00001930          | 11/30/2013                    | REIMBURSE FOR SUPPLIES FOR THE AIRPORT FLOAT-PARADE OF LIGHTS | 150.78             |
| Check   | 12/12/2013 | 16674 Accounts Payable | REHMANN ROBSON PC             |   | 600.00             |
|   | Invoice    | Date                   | Description                   |   | Amount             |
|   |            | RR170305               | 11/30/2013                    | PYMNT #2-PROGRESS BILLING                                     | 600.00             |
| Check   | 12/12/2013 | 16675 Accounts Payable | TULIP CITY AIR SERVICE INC    |   | 6,262.45           |
|   | Invoice    | Date                   | Description                   |   | Amount             |
|   |            | 187668                 | 11/30/2013                    | WMRA MONTHLY MTCE BILLING-NOV 2013                            | 6,262.45           |
| CITY AP PAYABLES ACCOUNT Totals:                |            |                        | Transactions: 4               |   | \$7,116.49         |
| Checks:   |            | 4                      | \$7,116.49                    |   |                    |

City of Holland  
**Payment Batch Register**  
 Bank Account: CITY AP - PAYABLES ACCOUNT  
 Batch Date: 12/04/2013

| Type  | Date          | Number Source          | Payee Name                     | EFT Bank/Account | Transaction Amount |
|---|---------------|------------------------|--------------------------------|------------------|--------------------|
| <b>Bank Account: CITY AP - PAYABLES ACCOUNT</b> |               |                        |                                |                  |                    |
| Check   | 12/05/2013    | 16561 Accounts Payable | CUNNINGHAM DALMAN P.C.         |                  | 456.75             |
|   | Invoice       | Date                   | Description                    |                  | Amount             |
|   | 204009        | 10/31/2013             | WMRA MISC MATTERS 10/31/13     |                  | 456.75             |
| Check   | 12/05/2013    | 16562 Accounts Payable | HOLLAND BOARD OF PUBLIC WORKS  |                  | 937.57             |
|   | Invoice       | Date                   | Description                    |                  | Amount             |
|   | 2014-00001845 | 11/30/2013             | WMRA MONTHLY UTILITIES BILLING |                  | 937.57             |
| Check   | 12/05/2013    | 16563 Accounts Payable | TULIP CITY AIR SERVICE INC     |                  | 2,822.66           |
|   | Invoice       | Date                   | Description                    |                  | Amount             |
|   | 187385        | 11/30/2013             | WMRA MONTHLY MTCE BILLING      |                  | 2,822.66           |
| CITY AP PAYABLES ACCOUNT Totals:                |               |                        | Transactions: 3                |                  | \$4,216.98         |
| Checks:   | 3             |                        | \$4,216.98                     |                  |                    |

### CONFERENCE INFORMATION

This is the 23rd year the Michigan Airport Conference has been co-sponsored by the Michigan Association of Airport Executives (MAAE) and the Michigan Department of Transportation (MDOT) Office of Aeronautics. It is designed to provide airport sponsors, managers, consultants, and others interested in airport management practices the opportunity to meet in an open forum to share information and ideas. The conference also provides a versatile medium to inform attendees regarding changes and opportunities available to airport communities. Vendors have the opportunity to display new equipment, products and processes, while consultants can interact with attendees and explain their particular areas of interest.

### AGENDA AND SPEAKERS

On Wednesday morning, we will receive an update from MDOT officials, in addition to presentations from Federal Aviation Administration (FAA) Detroit Airports Districts Office (ADO) staff on the importance of effective Grant Management and Closeout. Following updates from MDOT and FAA, Ross Woodstock of Kolt Communications in Lansing and Gail LaRoche of the Wayne County Airport Authority (WCAA) will provide a presentation on Leadership, Coaching and Employee Development for Airport Operators.

Our luncheon speaker will be Michael Boyd, President of Boyd Group International. Boyd, a graduate of Michigan State University, is nationally recognized as a leader in strategic planning, consulting and forecasting to the aviation and airport communities. He is often called upon by members of the national media to provide input on matters pertaining to the aviation industry and has provided leadership to hundreds of clients.

The afternoon sessions will include a presentation by Peter Anastor of the Michigan Economic Development Corp. (MEDC) Anastor is the Director of Logistics and Supply Chain for MEDC, so this session will be an excellent opportunity to hear from him on where Michigan is with regard to Supply Chain Management. Additionally, MAAE will continue to hold the very popular and informative Air Carrier and General Aviation Roundtable sessions, with brief updates from Steve Houtteman, and Pete Butchko from MDOT-Aero and the U.S. Department of Agriculture's Wildlife Services Division, respectively, regarding Wildlife Hazard Assessments for Michigan's airport community.

Thursday's sessions will begin with a presentation by the FAA's Great Lakes Regional Office of Safety and Standards to inform attendees about new developments surrounding Federal Aviation Regulation (FAR) Part 139. The second session on Thursday afternoon will include presentations by Jill Holden of Pace Communications and Robert Kolt of Kolt Communications - both of Lansing. Holden will present a session on Airport Community Outreach: Social Media's Impact on Airports, with Kolt providing firsthand experience at Media Coaching for Airport Personnel. Both sessions will provide value to airport personnel at both air carrier and general aviation airports.

The grand finale of our conference will be our most honored tradition of recognizing the Airport Sponsor and Consultant of the Year, followed by the "Passport" prize drawing. Closing the conference in this way is important because it celebrates our successes and encourages us to continue the pursuit of excellence. We truly hope to see you this year and remind you that this is **your conference**, and its success depends on **your participation**!

### AGENDA

#### Wednesday, Feb. 19, 2014

|                    |  |
|--------------------|--|
| 7:30 a.m.          | Continental breakfast with exhibitors  |
| 8:30 a.m.          | <b>Welcome to Lansing and overview</b>   |
| 8:45 a.m. Session  | <b>MDOT-Aeronautics update</b>   |
| 9:45 a.m. Session  | <b>FAA update: Presentation on Grant Management and Closeout</b>                     |
| 11:00 a.m.         | Break with exhibitors  |
| 11:15 a.m. Session | <b>Leadership, Coaching and Development for Airport Operators</b>                    |
| Noon               | Luncheon - <b>Keynote Speaker: Michael Boyd, President, Boyd Group International</b> |
| 1:30 p.m. Session  | <b>Logistics and Supply Chain Management</b>   |
| 3:00 p.m.          | Break with exhibitors  |
| 3:30 p.m. Session  | <b>Air Carrier and Large General Aviation roundtable</b>                             |
|                    | <b>Small General Aviation roundtable</b>   |
| 5:30 p.m.          | <b>Legislative reception with exhibitors</b>   |

#### Thursday, Feb. 20, 2014

|                      |  |
|----------------------|--|
| 8:00 a.m.            | Continental breakfast with exhibitors                                |
| 8:15 a.m.            | <b>MAAE General Membership Meeting</b>                               |
| 9:00 a.m. Session    | <b>What's new with FAR Part 139?</b>                                 |
| 10:00 a.m.           | Break with exhibitors  |
| 10:15 a.m. Session A | <b>Airport Community Outreach: Social Media's Impact on Airports</b> |
| 10:15 a.m. Session B | <b>Media Coaching for Airport Operators</b>                          |
| 11:45 a.m.           | Awards luncheon  |

### DOOR PRIZES AND SPONSORSHIPS

Door prizes have proven to be a good advertising medium. If you have items you would like to donate, we would certainly appreciate your participation. Your company will receive appropriate recognition for donating the prize.

Make the most of your company's investment by participating as a conference sponsor. Sponsors provide an invaluable service to MAAE by supporting the learning and networking opportunities of the association. As a sponsor, your company will receive special recognition in addition to the appreciation we normally bestow.

#### Available Sponsorships

**Platinum - \$2,000**  
**Gold - \$1,500**  
**Silver - \$1,000**  
**Bronze - \$500**

**To sponsor an event and/or donate door prizes, please contact conference committee members listed below:**

Keith Kaspari: 517-886-7312 or [kkaspari@craa.com](mailto:kkaspari@craa.com)  
 Shawn Jezak: 517-977-1172 or [maae@michairports.org](mailto:maae@michairports.org)