



Auburn Lewiston Municipal Airport - Board of Directors - Meeting Agenda
September 11, 2024 5:30 P.M.
Administrative Conference Room 80 Airport Drive, Auburn, Maine

Call to Order

I. Workshop

1. Presentation of the FY2023 Audit by RKO

II. Consent Items

III. Minutes

1. July 10, 2024 Meeting

IV. Financial Report – Treasurer

1. Acceptance of the FY2023 Audit Submitted by RKO
2. FY 2024 thru June (Revenue and Expense, Balance Sheet UNAUDITED)
3. FY 2025 YTD Financials
4. Fuel Sales Year over Year Comparisons (with supplemental chart on LEW aircraft operations)

V. Communications –

VI. Public Comment – *Members of the public are invited to speak to the Board of Directors about any issue directly related to airport business.*

VII. Old Business

VIII. New Business

1. Authorizing the execution of a lease and operating rights agreement with Chickadee Aviation
2. Authorizing the execution of a First Amendment to the Bel Air Hangar Condominium ground lease (**UPDATED FROM LAST POSTING**)
3. Authorizing the execution of a ground lease and operating rights agreement with East Ramp Hangars LLC, the new ownership entity for the existing TIM Corp t-hangars (**UPDATED FROM LAST POSTING WITH INFO SHEET**)
4. Authorizing the execution of a ground lease with 49 White Hangar Drive LLC, a new ownership entity for the existing Auburn Hangar Company LLC box hangar (**UPDATED FROM LAST POSTING WITH INFO SHEET**)
5. Authorizing the execution of a ground lease for a box hangar for private aircraft storage with Fielding Properties LLC (**UPDATED FROM LAST POSTING WITH INFO SHEET**)

IX. Reports

1. Airport Director Report

- a. Hangar 5 management/loan
- b. CDS T-Hangar Project Update
 - i. Budget Estimates
 - ii. Wait List Establishment
- 2. Board of Directors Reports

X. Executive Sessions

- 1. Pursuant 1 MRSA 405(6) A – Discussion of a Personnel Matter (**UPDATED FROM LAST POSTING**)
- 2. Pursuant 1 MRSA 405(6) C – Discussion of a Real Estate Negotiation (White Hangar Drive), No Action to Follow
- 3. Pursuant 1 MRSA 405(6) C – Discussion of a Real Estate Negotiation (Flight Line Drive), Possible Action to Follow
- 4. Pursuant 1 MRSA 405(6) A – Discussion of a Personnel Matter, Possible Action to Follow

X. Adjournment (Next Board Meeting, November 13, 2024)

Executive Session: On occasion, the Board of Directors discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Director must make a motion in public. The motion must be recorded. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable are:

- A. Discussion of personnel issues
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts
- E. Contemplated litigation

July 15, 2024

To the Board of Directors
Auburn-Lewiston Municipal Airport

We have audited the financial statements of the Auburn-Lewiston Municipal Airport for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting with the board Chair on June 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the Uniform Guidance

As stated in our engagement letter dated November 13, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Auburn-Lewiston Municipal Airport's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether Auburn-Lewiston Municipal Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about Auburn-Lewiston Municipal Airport's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Auburn-Lewiston Municipal Airport's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Auburn-Lewiston Municipal Airport's compliance with those requirements.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Auburn-Lewiston Municipal Airport are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Auburn-Lewiston Municipal Airport during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 Auburn-Lewiston Municipal Airport's financial statements were:

1. Management's estimate of the historical cost of certain assets, and the related depreciation expense, which is based on historical cost and estimated useful lives of assets,
2. Management's estimate of the net pension liability, which is based on actuarial studies.
3. Management's estimate of the discount rate and term used in the calculation of the lease receivable and related deferred inflow of resources.

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

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The financial statement disclosures are neutral, consistent, and clear.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached list of *Adjusting Journal Entries* represents misstatements, some of which were material, detected as a result of audit procedures and that were corrected by management.

Also attached is a listing of *Passed Adjusting Journal Entries* that summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 July 15, 2024.

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 Auburn-Lewiston Municipal Airport'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 Auburn-Lewiston Municipal Airport's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

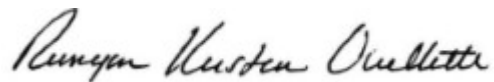
We applied certain limited procedures to the schedule of Airport's proportionate share of the net pension liability and the schedule of Airport contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the statement of revenues, expenses, and changes in net position – budget and actual, and the combining financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Auburn-Lewiston Municipal Airport 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 cursive script, reading "Raymond Kristen Ouellette".

Auburn Lewiston Airport
Adjusting Journal Entries
June 30, 2023

| Account | Description | Debit | Credit |
|---|--------------------------------|-----------------------------|-----------------------------|
| AJE 1 | | | |
| To adjust Lease receivable and related accounts to actual as of year end. | | | |
| 9000-11540 | Lease Receivable | - | 40,239.09 |
| 9000-2900 | Deferred Inflow - Lease | 60,006.62 | - |
| 9000-429025 | Rental Fees | - | 60,006.62 |
| 9005-422000 | Investment Income | - | 52,111.95 |
| 9000-429025 | Rental Fees | 92,351.04 | - |
| 9000-11540 | Lease Receivable | - | 1,707,488.54 |
| 9000-2900 | Deferred Inflow - Lease | 1,666,606.84 | - |
| 9000-429025 | Rental Fees | 40,881.70 | - |
| Total | | <u>1,859,846.20</u> | <u>1,859,846.20</u> |
| AJE 2 | | | |
| To gross up payables and DTF for unpaid loan from Auburn. | | | |
| 9000-16000 | DUE TO / DUE FROM | 11,000.00 | - |
| 9000-24210 | Accounts Payable | - | 11,000.00 |
| Total | | <u>11,000.00</u> | <u>11,000.00</u> |
| AJE 3 | | | |
| To record accrued interest as of year end. | | | |
| 9004-628041 | Hangar Lease | 20,426.13 | - |
| 9000-24240 | Accrued Interest | - | 20,426.13 |
| Total | | <u>20,426.13</u> | <u>20,426.13</u> |
| AJE 4 | | | |
| To record CIP, Capital Asset & Depreciation Activity. | | | |
| 9020-650000-L22 | LOADER AND PUSHER | - | 283,248.00 |
| 9000-12410 | Machinery & Equipment | 283,248.00 | - |
| 9000-12410 | Machinery & Equipment | - | 34,139.00 |
| 9000-12900 | Accumulated Depreciation | 34,139.00 | - |
| 9004-659000 | Depreciation Expense | 755,936.00 | - |
| 9000-12900 | Accumulated Depreciation | - | 755,936.00 |
| 9020-650000-L20 | RECONSTRUCT FBO RAMP-TANK REMO | - | 2,500.00 |
| 9020-650000-PR026 | Capital-RUNWAY REHAB | - | 17,610.00 |
| 9020-650000-PR028 | Capital-Reconstruct Taxi B & J | - | 65,546.00 |
| 9020-650000-REA | EAST APRON | - | 68,921.42 |
| 9020-16000 | Due to/from Other Funds | 2,128,070.00 | - |
| 9000-12112 | Construction In Progress | 1,844,822.00 | - |
| 9000-16000 | DUE TO / DUE FROM | - | 2,128,070.00 |
| 9020-650000-PR032 | East Apron | - | 1,690,244.58 |
| 9000-12112 | Construction In Progress | - | 8,590,679.03 |
| 9000-12111 | Land Improvements | 8,590,679.03 | - |
| Total | | <u>13,636,894.03</u> | <u>13,636,894.03</u> |
| AJE 5 | | | |
| To adjust inventory year balance from prior year. | | | |
| 9000-11900 | INVENTORY FOR RESALE | - | 30,102.49 |
| 9015-633030 | Fuels & Oils | 30,102.49 | - |
| Total | | <u>30,102.49</u> | <u>30,102.49</u> |

AJE 6

To record change in NPL and related accounts.

| | | | |
|--------------|-------------------------|-------------------------|-------------------------|
| 9000-26000 | NET PENSION LIABILITY | - | 46,491.00 |
| 9000-25000 | DEF INFLOW NET PENSION | 65,996.00 | - |
| 9000-13000 | DEF OUTFLOW-NET PENSION | - | 2,584.00 |
| 9000-680000 | Pension expense | - | 16,921.00 |
| Total | | <u><u>65,996.00</u></u> | <u><u>65,996.00</u></u> |

AJE 7

To record interest revenue for Q4 2023.

| | | | |
|--------------|--------------------------|----------------------|----------------------|
| 9030-11113 | Investment-Milestones CD | 240.21 | - |
| 9030-422002 | Investment Income - Land | - | 240.21 |
| Total | | <u><u>240.21</u></u> | <u><u>240.21</u></u> |

AJE 8

To adjust accounts receivable to actual as of year end.

| | | | |
|--------------|---------------------|------------------------|------------------------|
| 9000-11530 | Accounts Receivable | - | 6,644.55 |
| 9000-429025 | Rental Fees | 6,644.55 | - |
| Total | | <u><u>6,644.55</u></u> | <u><u>6,644.55</u></u> |

AJE 9

To reverse payable related to PY retainage.

| | | | |
|--------------|--------------------------|-------------------------|-------------------------|
| 9000-24210 | Accounts Payable | 95,544.80 | - |
| 9000-12112 | Construction In Progress | - | 95,544.80 |
| Total | | <u><u>95,544.80</u></u> | <u><u>95,544.80</u></u> |

AJE 10

To adjust grant receivable to actual as year end.

| | | | |
|-------------------|----------------------|-------------------------|-------------------------|
| 9020-11530 | Accounts Receivable | 99,150.42 | - |
| 9020-440000-PR033 | AIRPORT RESCUE GRANT | - | 99,150.42 |
| Total | | <u><u>99,150.42</u></u> | <u><u>99,150.42</u></u> |

Auburn Lewiston Airport
Passed Adjusting Journal Entries
June 30, 2023

| Account | Description | Debit | Credit |
|----------------|---|------------------|------------------|
| 1 | | | |
| | To record OPEB liabilities as of year end. | | |
| 9000-26001 | OPEB Liability | - | 57,832.00 |
| 9000-13001 | Deferred outflow of resources - OPEB | 4,359.00 | - |
| 9000-25001 | Deferred intflow of resources - OPEB | - | 5,064.00 |
| 9001-611000 | Regular Salaries | 8,186.00 | - |
| 9000-37104 | FB UNASSIGNED | 50,351.00 | - |
| | | <u>62,896.00</u> | <u>62,896.00</u> |
| 2 | | | |
| | To record legal payable as identified by the legal letter | | |
| 9000-24210 | Accounts Payable | - | 4,407.00 |
| 9004-628016 | Legal Services | 4,407.00 | - |
| | | <u>4,407.00</u> | <u>4,407.00</u> |



Auburn Lewiston Municipal Airport

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July 15, 2024

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of the Auburn-Lewiston Municipal Airport, which comprise the respective financial position of the Auburn-Lewiston Municipal Airport as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted 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 to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in 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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 15, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 13, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 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.



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- 5) The methods, significant assumptions and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Airport is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) 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, such as records, (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Airport from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.



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- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 14) 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.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Airport 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.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Airport's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the names of the Airport's related parties and all the related party relationships and transactions, including any side agreements.

Government - specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.



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- 25) The Airport has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures, and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, and schedule of expenditures of federal awards.
- 31) The Airport has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The Airport has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements properly classify all funds and activities, in accordance with GASBS No. 34, as amended.



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- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of revenues, expenses and changes in net position within operating revenues and nonoperating revenues.
- 41) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) We have appropriately disclosed the Airport's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the supplementary information other than RSI (Statement of Revenues, Expenses and Changes in Net Position – Budget and Actual and Combining Statements):
 - a) We acknowledge our responsibility for presenting the supplementary information other than RSI in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information other than RSI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information other



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than RSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the supplementary information other than RSI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information other than RSI no later than the date we issue the supplementary information other than RSI and the auditor's report thereon.
- 46) With respect to federal award programs—
- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.



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- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.



Auburn Lewiston Municipal Airport

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- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Signed: Airport Director

Date: July 15, 2024

AUBURN-LEWISTON MUNICIPAL AIRPORT

**Reports Required by *Government Auditing
Standards* and the Uniform Guidance**

For the Year Ended June 30, 2023

AUBURN-LEWISTON MUNICIPAL AIRPORT
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the Year Ended June 30, 2023

| <u>Report</u> | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1-2 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 3-5 |
| Schedule of Expenditures of Federal Awards | 6 |
| Notes to Schedule of Expenditures of Federal Awards | 7 |
| Schedule of Findings and Questioned Costs: | |
| Section I - Summary of Auditor's Results | 8 |
| Section II - Findings Required to be Reported Under <i>Government Auditing Standards</i> | 9 |
| Section III - Federal Award Findings and Questioned Costs | 10 |
| Section IV - Status of Prior Year Findings and Questioned Costs for Federal Awards | 11 |

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

Board of Trustees
Auburn Lewiston Municipal Airport

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 Auburn Lewiston Municipal Airport, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Auburn Lewiston Municipal Airport’s basic financial statements, and have issued our report thereon dated July 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Auburn Lewiston Municipal Airport’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Auburn Lewiston Municipal Airport’s internal control. Accordingly, we do not express an opinion on the effectiveness of Auburn Lewiston Municipal Airport’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

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

Report on Compliance and Other Matters

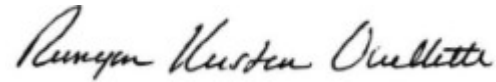
As part of obtaining reasonable assurance about whether Auburn Lewiston Municipal Airport’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Auburn Lewiston Municipal Airport’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Auburn Lewiston Municipal Airport’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Auburn Lewiston Municipal Airport’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



July 15, 2024
South Portland, Maine

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

Board of Trustees
Auburn Lewiston Municipal Airport

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Auburn Lewiston Municipal Airport's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Auburn Lewiston Municipal Airport's major federal programs for the year ended June 30, 2023. Auburn Lewiston Municipal Airport's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Auburn Lewiston Municipal Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Auburn Lewiston Municipal Airport's federal programs.

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

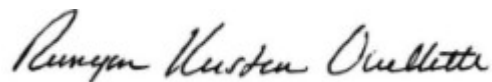
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Auburn Lewiston Municipal Airport as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Auburn Lewiston Municipal Airport's basic financial statements. We issued our report thereon dated July 15, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



July 15, 2024
South Portland, Maine

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

| Federal Grantor/Pass-through Grantor/Program Title | Federal Assistance Listing Number | Total Federal Expenditures | Assistance Listing/ Cluster Totals | Passed Through to Subrecipients |
|---|--|---|---|--|
| U.S. Department of Transportation: | | | | |
| Airport Improvement Program: | | | | |
| 3-23-0002-026-2019 | 20.106 | \$ 15,849 | | - |
| 3-23-0002-028-2019 | 20.106 | 58,991 | | - |
| 3-23-0002-032-2021 | 20.106 | 1,295,556 | 1,370,396 | - |
| Total U.S. Department of Transportation | | 1,370,396 | | - |
| Total federal expenditures | | \$ 1,370,396 | | - |

See accompanying notes to schedule of expenditures of federal awards.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

PURPOSE OF THE SCHEDULE

Office of Management and Budget (OMB)'s Uniform Guidance requires a schedule of expenditures of federal awards showing total expenditures for each federal award program as identified in the Assistance Listings in the System for Award Management.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of Auburn Lewiston Municipal Airport for the fiscal year ended June 30, 2023. The reporting entity is defined in the notes to the financial statements of Auburn Lewiston Municipal Airport.

- B. Basis of Presentation - The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the Uniform Guidance.
 - 1. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.

 - 2. Major Programs - the Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for Auburn Lewiston Municipal Airport are identified in the summary of auditor's results section in the schedule of findings and questioned costs.

- C. Basis of Accounting - The information presented in the schedule of expenditures of federal awards is presented on the accrual basis of accounting, which is consistent with the reporting in the Airport's financial statements. The Schedule of Expenditures of Federal Awards does not include matching amounts that the Airport expends in connection with its federal programs.

- D. Auburn Lewiston Municipal Airport has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Findings and Questioned Costs
June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiency identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? No

Significant deficiency identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? No

Identification of major federal programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|---|
| 20.106 | Airport Improvement Program |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

MATERIAL WEAKNESS

2023-001 Routine Reconciliations

Criteria: To ensure accurate financial reporting, reconciliations of general ledger accounts should be done on a regular basis, ideally monthly.

Statement of Condition: During our testing of year-end balances, we identified certain accounts for which no reconciliation was performed, or the supporting detail did not agree with the general ledger.

Cause: In addition to staffing changes during the year, the Airport does not have adequate procedures in place to reconcile grant activity on a regular basis.

Effect: Year-end adjusting journal entries were required to record activity in the proper period. Audit entries were proposed to correct ending balances in grant receivables, accounts receivables and accounts payables.

Recommendation: It is our recommendation that all significant balance sheet accounts are reconciled on a monthly basis.

Management's response/corrective action plan: *The Auburn Lewiston Airport Financial Administrator (City of Auburn Senior Accounting Assistant) will be reconciling the accounts receivable every month going forward to ensure they are in balance before the financial reports are given to the Airport Board for the monthly meeting. The Auburn Lewiston Airport Director (City of Auburn Transportation Systems Director) will ensure that this is completed for month end and will review the accounts receivable for accuracy. Accounts payable for all invoices will be charged in the correct fiscal year going forward. All invoices will be reviewed in July and August by the Auburn Lewiston Airport Financial Administrator and the Auburn Lewiston Airport Director. Once both review to ensure what fiscal year the invoices are for and write it on the top of the invoice, the Financial Administrator will ensure that it is appropriately entered into the financial software for that fiscal year that the work was done.*

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Findings and Questioned Costs, Continued

Section III - Federal Award Findings and Questioned Costs

NONE

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Findings and Questioned Costs, Continued

Section IV - Status of Prior Year Findings and Questioned Costs for Federal Awards and *Government Auditing Standards*

Government Auditing Standards –

2022-001 Grant Expense and Receivable Tracking

Criteria: When participating in federal grants, part of the administration process of the grant is properly tracking activity in the correct reporting period, and reconciling that activity on a regular basis.

Statement of Condition: During our testing of year-end balances, we identified certain invoices related to grant activities that were not recorded in the proper period.

Cause: The Airport does not have adequate procedures in place to reconcile grant activity on a regular basis.

Effect: Year-end adjusting journal entries were required to record activity in the proper period. Audit entries were proposed to record \$717,321 in accounts receivables and \$95,544.80 in accounts payables related to Airport Improvement Program activity through June 30, 2023.

Recommendation: It is our recommendation that the grant activity be reconciled on a monthly basis.

Status: See 2023-001.

AUBURN-LEWISTON MUNICIPAL AIRPORT

Financial Statements

For the years ended June 30, 2023 and 2022

AUBURN-LEWISTON MUNICIPAL AIRPORT
Financial Statements
For the years ended June 30, 2023 and 2022

Table of Contents

| | <u>Statement</u> | <u>Page</u> |
|---|------------------|-------------|
| Independent Auditor's Report | | 1-3 |
| Managements Discussion and Analysis | | 4-8 |
| Basic Financial Statements: | | |
| Statements of Net Position | 1 | 9 |
| Statements of Revenues, Expenses, and Changes in Net Position | 2 | 10 |
| Statements of Cash Flows | 3 | 11 |
| Notes to Basic Financial Statements | | 12-20 |
| Required Supplementary Information | | 21-23 |
| | <u>Exhibit</u> | <u>Page</u> |
| Statement of Revenues, Expenses, and Changes in Net Position – Budget and Actual | A-1 | 24 |
| Combining Financial Statements: | | |
| Combining Statement of Net Position | A-2 | 25 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | A-3 | 26 |

Independent Auditor's Report

Board of Directors
The Auburn-Lewiston Municipal Airport

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Auburn-Lewiston Municipal Airport as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Auburn-Lewiston Municipal Airport's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Auburn-Lewiston Municipal Airport as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Auburn-Lewiston Municipal Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of Airport's proportionate share of the net pension liability and the Schedule of Airport Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management, and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Auburn-Lewiston Municipal Airport's basic financial statements. The budget and actual and combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget and actual and combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2024 on our consideration of the Auburn-Lewiston Municipal Airport'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 solely 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 the effectiveness of Auburn-Lewiston Municipal Airport's 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 Auburn-Lewiston Municipal Airport's internal control over financial reporting and compliance.



July 15, 2024
South Portland, Maine

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2023

I. Introduction of the Financial Statements

Overview of Financial Report

The Auburn-Lewiston Municipal Airport (the Airport) is a quasi-municipal organization, created by an interlocal agreement between the cities of Auburn and Lewiston, providing airport services. The Airport is categorized by the Federal Aviation Administration as a Reliever Airport with Regional Impacts.

This Management's Discussion and Analysis (MD&A) serves as an introduction to the audited basic financial statements and notes. The MD&A is the Airport Management's analysis of its financial condition and performance. It is presented to give the reader more insight on the Airport's finances.

The Airport's basic financial statements include:

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Notes to the Basic Financial Statements
- Budget and Actual and Combining Financial Statements

Financial Highlights:

- The Airport reported an increase in net position of \$939,081 due to the increase in investments in capital projects. Airport capital projects had an increase of \$1,755,093 in net position, Airport land fund had a slight increase of \$1,704 which was offset by the loss in net position of \$817,716 in the Airport operations.
- Undesignated net position had a decrease of \$360,608 from \$1,386,282 to \$1,025,674 due to the operating loss and the continued improving of infrastructure.
- Due to GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*, the Airport reported a net pension liability of \$40,564 on Statement 1.

II. Comparison of Financial Statements for Current and Prior Years

Fiscal Year 2023 Airport operational revenue decreased \$114,655 from Fiscal Year 2022. Operational expenditures had an increase of \$77,223. Nonoperating revenues and expenses had an increase of \$157,481. The increase was primarily due to the capital grants (\$166,368).

The Statements of Net Position (*Statement 1*) and the Statements of Revenues, Expenses, and Changes in Net Position (*Statement 2*)

The analysis of the Airport's overall financial condition and operations begins on this page. Its primary purpose is to show whether the financial position of the Airport is improving or not. The Statement of Net Position includes all the Airport's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year while the Statement of Revenues, Expenses, and Changes in Net Position includes all the revenues and expenses generated by the Airport's operations during the year.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2023

These two statements report the Airport's net position and changes in it. The Airport's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) provides one measure of the Airport's financial health, or financial position. Over time, increases or decreases in the Airport's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the Airport, however, you should consider non-financial factors as well, such as changes in the socio-makeup of the Airport's users and the condition of the Airport's facilities.

Condensed Statements of Net Position

| | <u>2023</u> | <u>2022</u> | <u>Difference \$</u> |
|--|----------------------|----------------------|----------------------|
| ASSETS: | | | |
| Current and other assets | \$ 2,675,260 | \$ 4,636,520 | \$ (1,961,260) |
| Capital assets, net | 18,976,937 | 17,700,348 | 1,276,589 |
| Total assets | 21,652,197 | 22,336,868 | (684,671) |
| Deferred outflows of resources related to pensions | 32,759 | 35,343 | (2,584) |
| Total deferred outflows of resources | 32,759 | 35,343 | (2,584) |
| LIABILITIES: | | | |
| Current liabilities | 298,327 | 174,296 | 124,031 |
| Noncurrent liabilities | 1,274,375 | 1,232,132 | 42,243 |
| Total liabilities | 1,572,702 | 1,406,428 | 166,274 |
| Deferred inflows of resources related to pensions | 1,262,506 | 3,055,116 | (1,792,610) |
| Total deferred inflows of resources | 1,262,506 | 3,055,116 | (1,792,610) |
| NET POSITION: | | | |
| Net investment in capital assets | 17,777,874 | 16,501,285 | 1,276,589 |
| Unrestricted | 1,071,874 | 1,409,382 | (337,508) |
| Total net position | \$ 18,849,748 | \$ 17,910,667 | \$ 939,081 |

Current Assets (cash, investments, accounts and grants receivable, inventory, and prepaid expenses)

The decrease in current and other assets of \$1,961,260 is largely due to the decrease of \$1,747,727 in lease receivables due to hanger 5.

Capital Assets (land, improvements, buildings, equipment, vehicles, and construction in progress)

Capital assets increased \$1,276,589 through the investment of federal and state funding for construction. Projects that were completed this fiscal year were the Ramp East Apron, Foster Road land purchase, runway and taxi rehabilitation. Along with the infrastructure done in FY23 the airport purchased a loader and pusher.

Deferred Outflows/Inflows of Resources

Deferred outflows and deferred inflows of resources arise due to the implementation of GASB Statement No. 68. Please refer to the notes to the financial statements for discussion and explanation of deferred outflows and deferred inflows of resources and their impact on the financial statements of the Airport.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2023

Current Liabilities (accounts payable - i.e., vendor bills, unearned revenue, and accrued payroll)

Accrued interest on the large corporate aircraft hangar, unearned revenue, accounts payable and accrued payroll were the only current liabilities of \$298,327. The largest increase is in accounts payable and accrued payroll of \$94,527.

Noncurrent Liabilities

The Airport is obligated under two note agreements with a total noncurrent balance of \$1,199,063. During the fiscal year the payments for these agreements were deferred one year. Other non-current liabilities are pensions (\$40,564) and accrued compensated absences (\$34,748).

Net Investment in Capital Assets

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of loans payable. Net investment in capital assets increased by 8%, mostly through investment in additional airport infrastructure after accumulated depreciation.

Unrestricted Net Position

Unrestricted, undesignated net position decreased by \$360,608 due to the increase in the capital expenditures.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

| | <u>2023</u> | <u>2022</u> | <u>Difference \$</u> | <u>Difference %</u> |
|-------------------------------|-------------------|-------------------|----------------------|---------------------|
| Operating revenues | \$ 1,025,364 | \$ 1,196,019 | \$ (170,655) | -14% |
| Municipal subsidies | 410,000 | 354,000 | 56,000 | 16% |
| Nonoperating revenues | 1,877,453 | 1,733,443 | 144,010 | 8% |
| Total revenues | 3,312,817 | 3,283,462 | 29,355 | 1% |
| Depreciation expense | 755,936 | 735,094 | 20,842 | 3% |
| Operating expenses | 1,597,374 | 1,540,993 | 56,381 | 4% |
| Nonoperating expenses | 20,426 | 33,897 | (13,471) | -40% |
| Total expenses | 2,373,736 | 2,309,984 | 63,752 | 3% |
| Change in net position | \$ 939,081 | \$ 973,478 | \$ (34,397) | -4% |

Operating Revenues

Airport operating revenues derive from rents, user fees charges for plane tie-downs, landing fees and fuel flowage fees. The Airport also receives revenues from aircraft hangar fees, aircraft fueling, aircraft maintenance, and flight support services like plane food service, reading materials and so on. To that end, operating revenues saw a 14% decrease from the prior year or \$170,655. The airport was experiencing decreases in traffic from aircraft and decrease in fuel sales.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2023

Operating Subsidies

The municipalities of Auburn and Lewiston equally support the Airport through an operating subsidy. This subsidy increased by \$56,000 or 16% from the previous fiscal year.

Non-operating Revenues

Normally, nonoperating revenues are derived from interest, excise tax, gain on sale of assets and grants from both federal and state agencies. Nonoperating revenues increased in the current year by \$144,010 (8%) mostly due to construction project payments as federal funded projects and gain on sale of assets for hanger 5 and other assets.

Depreciation Expense

This fiscal year depreciation expense increased by \$20,842 over last year. This is a 3% increase from the prior year's total. Infrastructure continues to be developed and maintenance on the current infrastructure at the airport is seeing an increase.

Operating Expenses

Operating expenses, excluding depreciation expense, increased 4%. The increase is partly due to building maintenance on the cold storage building for the partial removal of asbestos and updating the electrical panel. Advertising increased \$9,377 due to the redesign of the website. Legal fees increased \$29,996 due to leases being reviewed and written along with legal advice for hanger 5. Professional services increased \$20,740 due to updating the roadside sign and an increase in audit fees. These increases are offset by decreases in Insurance due to reimbursement; vehicle maintenance due to expenses last fiscal year for repairs to drop chain and power steer; airfield maintenance for the inspection aviation fuel done last fiscal year; ground support equipment of the aircraft pushback tractor purchased last fiscal year and miscellaneous repairs and maintenance.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2023

| Operating expenses consisted of: | 2023 | 2022 | Difference \$ | Difference % |
|---|---------------------|------------------|---------------|--------------|
| Salaries | \$ 489,050 | \$ 426,933 | \$ 62,117 | 15% |
| Fringe benefits | 155,830 | 153,251 | 2,579 | 2% |
| Overtime | 11,299 | 10,376 | 923 | 9% |
| Advertising | 12,476 | 3,099 | 9,377 | 303% |
| Telephone and internet | 5,048 | 6,899 | (1,851) | -27% |
| Insurance | 36,221 | 76,972 | (40,751) | -53% |
| Legal fees | 37,700 | 7,704 | 29,996 | 389% |
| Professional services | 40,505 | 19,765 | 20,740 | 105% |
| Utilities | 67,290 | 53,850 | 13,440 | 25% |
| Snow and ice control | 17,385 | 9,390 | 7,995 | 85% |
| Building and radio maintenance | 48,947 | 23,897 | 25,050 | 105% |
| Electrical maintenance | 7,757 | 3,906 | 3,851 | 99% |
| Vehicle maintenance | 21,041 | 38,728 | (17,687) | -46% |
| Airfield maintenance | 18,409 | 23,420 | (5,011) | -21% |
| Office machine/computer repairs | 20,657 | 11,814 | 8,843 | 75% |
| Travel and training | 1,938 | 2,200 | (262) | -12% |
| Office supplies | 4,436 | 4,470 | (34) | -1% |
| Gasoline and oil - motor vehicle supplies | 18,175 | 11,878 | 6,297 | 53% |
| Gasoline and oil - for resale | 543,810 | 538,113 | 5,697 | 1% |
| Plant equipment | 7,926 | 2,788 | 5,138 | 184% |
| Ground support equipment | 27,680 | 72,326 | (44,646) | -62% |
| Repairs aircrafts | 537 | 62 | 475 | 766% |
| Miscellaneous repairs and maintenance | 3,257 | 39,152 | (35,895) | -92% |
| Depreciation | 755,936 | 735,094 | 20,842 | 3% |
| Total operating expenses | \$ 2,353,310 | 2,276,087 | 77,223 | 3% |

Non-operating Expense

Hangar loan interest expense caused a decrease of \$13,471 in non-operating expenses.

III. Significant Subsequent Events

Auburn-Lewiston Airport has completed all the work on the reconstruction of the East Apron. The engineering services have begun the reconstruction of the taxi runway.

IV. Contacting the Airport's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the Airport's finances and to show the Airport's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Interim Airport Manager, at 207-786-0631.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statements of Net Position
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|---------------|--------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 380,549 | 110,459 |
| Investments | - | 443,883 |
| Accounts receivable | 84,894 | 114,181 |
| Grants receivable | 855,318 | 840,639 |
| Lease receivable | 1,280,871 | 3,028,598 |
| Inventory for resale | 58,466 | 88,568 |
| Prepaid expenses | 15,162 | 4,265 |
| Total current assets | 2,675,260 | 4,630,593 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 1,717,208 | 1,717,208 |
| Construction-in-progress | 1,941,473 | 8,782,875 |
| Land improvements | 26,972,544 | 18,381,865 |
| Buildings | 4,458,443 | 4,458,443 |
| Equipment and vehicles | 1,763,884 | 1,514,775 |
| Less accumulated depreciation | (17,876,615) | (17,154,818) |
| Net capital assets | 18,976,937 | 17,700,348 |
| Net pension asset | - | 5,927 |
| Total noncurrent assets | 18,976,937 | 17,706,275 |
| Total assets | 21,652,197 | 22,336,868 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pensions | 32,759 | 35,343 |
| Total deferred outflows of resources | 32,759 | 35,343 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued payroll | 268,823 | 174,296 |
| Unearned revenue | 9,078 | - |
| Accrued interest | 20,426 | - |
| Total current liabilities | 298,327 | 174,296 |
| Noncurrent liabilities: | | |
| Net pension liability | 40,564 | - |
| Notes payable | 1,199,063 | 1,199,063 |
| Accrued compensated absences | 34,748 | 33,069 |
| Total noncurrent liabilities | 1,274,375 | 1,232,132 |
| Total liabilities | 1,572,702 | 1,406,428 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pensions | 23,516 | 89,512 |
| Deferred inflows of resources related to leases | 1,238,990 | 2,965,604 |
| Total deferred inflows of resources | 1,262,506 | 3,055,116 |
| NET POSITION | | |
| Net investment in capital assets | 17,777,874 | 16,501,285 |
| Unrestricted | | |
| Designated for excise tax | 46,200 | 23,100 |
| Undesignated | 1,025,674 | 1,386,282 |
| Total net position | \$ 18,849,748 | 17,910,667 |

See accompanying notes to basic financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statements of Revenues, Expenses, and Changes in Net Position
For the years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|-------------------|
| Operating revenues: | | |
| Charges to users: | | |
| Rents | \$ 128,502 | 210,590 |
| Tie-down fees | 50,723 | 31,439 |
| Landing fees | 29,730 | 25,561 |
| Fuel sales | 720,066 | 822,212 |
| Fees - catering | 1,231 | 886 |
| Off hour call out | 14,600 | 7,077 |
| Aircraft maintenance | 2,219 | 930 |
| Municipal operating subsidies | 410,000 | 354,000 |
| Sale of Christian Hill materials | 71,867 | 75,258 |
| Other operating and miscellaneous | 6,426 | 22,066 |
| Total operating revenues | 1,435,364 | 1,550,019 |
| Operating expenses: | | |
| Salaries | 489,050 | 426,933 |
| Fringe benefits | 155,830 | 153,251 |
| Overtime | 11,299 | 10,376 |
| Advertising | 12,476 | 3,099 |
| Telephone and internet | 5,048 | 6,899 |
| Insurance | 36,221 | 76,972 |
| Legal fees | 37,700 | 7,704 |
| Professional services | 40,505 | 19,765 |
| Utilities | 67,290 | 53,850 |
| Snow and ice control | 17,385 | 9,390 |
| Building and radio maintenance | 48,947 | 23,897 |
| Electrical maintenance | 7,757 | 3,906 |
| Vehicle maintenance | 21,041 | 38,728 |
| Airfield maintenance | 18,409 | 23,420 |
| Office machine/computer repairs | 20,657 | 11,814 |
| Travel and training | 1,938 | 2,200 |
| Office supplies | 4,436 | 4,470 |
| Gasoline and oil - motor vehicle supplies | 18,175 | 11,878 |
| Gasoline and oil - for resale | 543,810 | 538,113 |
| Plant equipment | 7,926 | 2,788 |
| Ground support equipment | 27,680 | 72,326 |
| Repairs aircrafts | 537 | 62 |
| Miscellaneous repairs and maintenance | 3,257 | 39,152 |
| Depreciation | 755,936 | 735,094 |
| Total operating expenses | 2,353,310 | 2,276,087 |
| Operating loss | (917,946) | (726,068) |
| Nonoperating revenues (expenses): | | |
| Interest and property tax expense | (20,426) | (33,897) |
| Land fund interest | 1,704 | 702 |
| Airport interest | 55,058 | 123,554 |
| Capital grants and subsidy | 1,731,500 | 1,565,132 |
| Gain on sale of assets | 49,170 | - |
| Excise tax | 23,100 | 23,100 |
| Amortization of change in net pension liability | 16,921 | 20,955 |
| Total nonoperating revenues | 1,857,027 | 1,699,546 |
| Change in net position | 939,081 | 973,478 |
| Net position, beginning of year | 17,910,667 | 16,937,189 |
| Net position, end of year | \$ 18,849,748 | 17,910,667 |

See accompanying notes to basic financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statements of Cash Flows
For the years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|-------------------|------------------|
| Cash flows from operating activities: | | |
| Receipts from cities and users | \$ 1,494,842 | 1,462,842 |
| Payments to employees | (654,500) | (599,858) |
| Payments to vendors | (827,463) | (863,856) |
| Net cash provided by (used in) operating activities | 12,879 | (872) |
| Cash flow from capital and financing related activities: | | |
| Purchase of capital assets | (2,032,525) | (2,543,185) |
| Capital grants and subsidy | 1,716,821 | 2,395,553 |
| Proceeds from sale of capital assets | 49,170 | - |
| Principal payments on notes | - | (103,134) |
| Interest paid on notes and property taxes | - | (33,897) |
| Excise tax receipts | 23,100 | 23,100 |
| Net cash provided by (used in) capital and financing related activities | (243,434) | (261,563) |
| Cash flow from investing activities: | | |
| Net sale (purchase) of investments | 443,883 | 219,846 |
| Investment income | 56,762 | 124,256 |
| Net cash provided by (used in) investing activities | 500,645 | 344,102 |
| Increase (decrease) in cash and cash equivalents | 270,090 | 81,667 |
| Cash and cash equivalents, beginning of year | 110,459 | 28,792 |
| Cash and cash equivalents, end of year | \$ 380,549 | 110,459 |
| Cash flows from operating activities: | | |
| Operating loss | (917,946) | (726,068) |
| Adjustment to reconcile net operating gain (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 755,936 | 735,094 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 29,287 | (24,183) |
| (Increase) decrease in lease receivable | 1,747,727 | 106,620 |
| (Increase) decrease in inventory | 30,102 | (56,598) |
| (Increase) decrease in prepaid expenses | (10,897) | 9,477 |
| Increase (decrease) in accounts payable and accrued payroll | 94,527 | 133,698 |
| Increase (decrease) in deferred inflow related to lease | (1,726,614) | (169,614) |
| Increase (decrease) in deferred income | 9,078 | - |
| Increase (decrease) in accrued compensated absences | 1,679 | (9,298) |
| Net cash provided by (used in) operating activities | \$ 12,879 | (872) |

See accompanying notes to basic financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Auburn-Lewiston Municipal Airport is a joint venture of the cities of Auburn and Lewiston organized as a nonprofit corporation under the laws of the State of Maine for the purpose of operating, maintaining, and improving facilities to provide optimum air transportation service for the greater Auburn-Lewiston area. Beginning in 2013, the Airport began providing flight support and aircraft fueling services. Prior to 2013, these services were provided by an independent contractor.

Measurement Focus and Basis of Accounting - The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The Airport's 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 a liability is incurred regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Airport distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal operating revenues of the Airport are charges to customers. Operating expenses include the cost of personnel, contractual services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed, except in instances in which restricted amounts must be maintained to comply with existing bond covenants.

Cash and Cash Equivalents - For purposes of the statements of cash flows, cash and cash equivalents are considered to be cash on hand and demand deposits.

Accounts Receivable - The Airport operates in the Auburn/Lewiston area and grants credit for fees, services and products to Airport customers that are declared based aircraft owners. Transient and commercial customers are required to tender payment at the time of product or service delivery.

Leases - The Airport is the lessor for certain non-cancellable leases of space within its jurisdiction. The Airport has recognized lease receivables and deferred inflows of resources in the financial statements. At the commencement of the leases, the Airport measures the lease asset at the present value of payments expected to be made during the lease terms. Subsequently, the lease asset is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease deferred inflow of resources is recognized as revenue over the life of the lease term.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Key estimates and judgments include how Airport determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Airport uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Airport monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventory - The Airport's inventory, which consists mainly of fuel, oil, and miscellaneous spare parts, is valued at the lower of cost or market using the first-in, first-out method. The cost of inventories is recorded as expenses when consumed rather than when purchased.

Capital Assets - Capital assets are defined by the Airport as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 25 years as follows:

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Computers and equipment | 3-5 |
| Vehicles | 5-15 |
| Hangers and buildings | 12-25 |
| Land improvements | 12-20 |

Deferred Inflows and Outflows of Resources - In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The Airport reports deferred outflows and inflows that relate to the net pension liability, which include the Airport's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between the Airport's contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period. The Airport also reports a deferred inflow of resourced related to leases that is amortized over the expected term of the lease.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Vacation and Sick Leave - Under the terms of the Airport's employee handbook, vacation and sick leave are granted in varying amounts according to length of service. At June 30, 2023 and 2022, the amount of accrued sick and vacation amounted to \$34,748 and \$33,069, respectively, and has been recorded on the Statements of Net Position as accrued compensated absences.

Income Taxes - The Airport qualifies as a tax exempt organization under the provisions of the Internal Revenue Code and, accordingly, its income is not subject to any state or federal income taxes.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating Subsidies - During the budgetary process, the directors of Auburn-Lewiston Municipal Airport estimate the operating deficiency for the subsequent year. Such deficiencies are funded equally by the Cities of Auburn and Lewiston.

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition, four airport employees are covered by a private pension plan in conjunction with the City of Auburn. Information with respect to the private pension plan can be found in the City of Auburn's financial statements. During fiscal years 2023 and 2022, the Airport contributed \$6,139 and \$6,677, respectively, to those employees covered under the private pension plan.

DEPOSITS

The Airport has not formally adopted a deposit policy that limits allowable deposits or address the specific types of risk to which the Airport's deposits may be exposed.

As of June 30, 2023 and 2022, the Airport's carrying amount of bank deposits were \$380,549 and \$110,459, respectively, and the bank balances were \$435,050 and \$147,610, respectively. The entire bank balances were covered by Federal Depository Insurance.

EXCISE TAX REVENUE

Excise taxes paid on vehicles and aircraft by businesses located at the Airport are distributed to the Cities of Auburn and Lewiston and the Airport in shares of 40%, 25%, and 35%, respectively.

According to the tax sharing agreement, which sunsets in 2029, all excise tax revenue received by the Airport is held in a trust fund for capital purposes only. The balance of this reserve for the year ended June 30, 2023, and 2022 was \$46,200 and \$23,100, respectively.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Balance June 30, <u>2022</u> | <u>Increases</u> | <u>Decreases</u> | Balance June 30, <u>2023</u> |
|---|------------------------------------|----------------------|----------------------|------------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,717,208 | - | - | 1,717,208 |
| Construction-in-progress | 8,782,875 | 1,749,277 | 8,590,679 | 1,941,473 |
| Total capital assets not being depreciated | 10,500,083 | 1,749,277 | 8,590,679 | 3,658,681 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 18,381,865 | 8,590,679 | - | 26,972,544 |
| Buildings | 4,458,443 | - | - | 4,458,443 |
| Equipment and vehicles | 1,514,775 | 283,248 | 34,139 | 1,763,884 |
| Total capital assets being depreciated | 24,355,083 | 8,873,927 | 34,139 | 33,194,871 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 13,633,845 | 499,285 | - | 14,133,130 |
| Buildings | 2,366,862 | 176,173 | - | 2,543,035 |
| Equipment and vehicles | 1,154,111 | 80,478 | 34,139 | 1,200,450 |
| Total accumulated depreciation | 17,154,818 | 755,936 | 34,139 | 17,876,615 |
| Total capital assets being depreciated, net | 7,200,265 | 8,117,991 | - | 15,318,256 |
| Capital assets, net | \$ 17,700,348 | 9,867,268 | 8,590,679 | 18,976,937 |

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023 was as follows:

| | Beginning <u>balance</u> | <u>Additions</u> | <u>Reductions</u> | Ending <u>balance</u> | Due within <u>one year</u> |
|----------------------------------|-----------------------------|------------------|-------------------|--------------------------|-------------------------------|
| Business-type activities: | | | | | |
| Notes from direct borrowings* | \$ 1,199,063 | - | - | 1,199,063 | - |
| Net pension liability (asset) | (5,927) | 46,491 | - | 40,564 | - |
| Accrued compensated absences | 33,069 | 1,679 | - | 34,748 | - |
| Business-type activity | | | | | |
| long-term liabilities | \$ 1,226,205 | 48,170 | - | 1,274,375 | - |

* Due to cash flow issues at the airport, the notes held by the City of Auburn and City of Lewiston were approved to be deferred for two years. During this time, no additional interest will accrue and the payments will resume at the same point in the amortization schedule.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

Notes from direct borrowings consisted of the following at June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|------------------|
| Note payable to City of Auburn, interest at 2.58%, due in annual installments of \$57,500 plus interest, through November 2034 | \$ 599,532 | 599,532 |
| Note payable to City of Lewiston, interest at 2.58%, due in annual installments of \$57,500 plus interest, through November 2034 | 599,531 | 599,531 |
| Total long-term notes payable | \$ 1,199,063 | 1,199,063 |

The annual requirements to amortize all notes outstanding as of June 30, 2023 are as follows:

| <u>Year ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------|------------------|
| 2024 | \$ - | - | - |
| 2025 | 84,064 | 30,936 | 115,000 |
| 2026 | 86,233 | 28,767 | 115,000 |
| 2027 | 88,458 | 26,542 | 115,000 |
| 2028 | 90,740 | 24,260 | 115,000 |
| 2029-2033 | 520,829 | 84,171 | 605,000 |
| <u>2034-2036</u> | <u>328,739</u> | <u>16,348</u> | <u>345,087</u> |
| Total | \$ 1,199,063 | 211,024 | 1,410,087 |

LEASE AGREEMENTS

The Airport regularly operates and leases property and buildings within its jurisdiction to third parties. During the current fiscal year, the Airport was the lessor for nine such long-term arrangements. Many of these arrangements include various price escalators and extension terms.

The Airport recognized \$60,007 in lease revenue and \$52,112 in related interest revenue during the current fiscal year. As of June 30, 2023 and 2022, the Airport's receivable for lease payments was \$1,280,871, and \$3,028,598, respectively. Also, the Airport has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2023 and 2022, the balance of the deferred inflow of resources was \$1,238,990, and \$2,965,604, respectively.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

CONSTRUCTION COMMITMENT

The Airport has entered into a contract in connection with a construction project. The following is a summary of commitments at June 30, 2023.

| | <u>Contract Total</u> | <u>Percentage Complete</u> | <u>Billed to Date</u> | <u>Retainage</u> | <u>Balance Remaining</u> |
|----------------------|---------------------------|--------------------------------|---------------------------|------------------|------------------------------|
| Airport improvements | \$ 1,864,633 | 89.26% | 1,664,397 | - | 200,236 |

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of financed purchases, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, loans and financed purchases payable, and adding back any unspent proceeds. The Airport's net investment in capital assets, as shown on Statement 1, was calculated as follows at June 30, 2023:

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|-------------------|
| Capital assets | \$ 36,853,552 | 34,855,166 |
| Accumulated depreciation | (17,876,615) | (17,154,818) |
| Notes from direct borrowings | (1,199,063) | (1,199,063) |
| Total net investment in capital assets | \$ 17,777,874 | 16,501,285 |

NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Employees of the Airport are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2018). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 6.85% to 7.60% of their annual pay. The Airport's contractually required contribution rate for the year ended June 30, 2023, was 10.20% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Airport were \$16,987 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Airport reported a liability of \$40,564 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was based on a projection of the Airport's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2022, the Airport's proportion was 0.0153%.

For the year ended June 30, 2023, the Airport recognized pension gain of \$16,921. At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 7,539 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 17,025 |
| Changes in proportion and differences between Airport contributions and proportionate share of contributions | - | 6,491 |
| Changes in assumptions | 8,233 | - |
| Airport contributions subsequent to the measurement date | 16,987 | - |
| Total | \$ 32,759 | 23,516 |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

\$16,987 is reported as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources or deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|----------|
| 2024 | \$ 1,589 |
| 2025 | (6,752) |
| 2026 | (10,577) |
| 2027 | 7,996 |

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------------|-----------------|
| Inflation | 2.75% |
| Salary Increases | 2.75%- 11.48% |
| Investment return | 6.50% |
| Cost of living benefit increases | 1.91% per annum |

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------|--------------------------------|---|
| Public equities | 30.0% | 6.0% |
| US Government | 10.0% | 2.3% |
| Private equity | 12.5% | 7.6% |
| Real estate | 10.0% | 5.2% |
| Infrastructure | 10.0% | 5.3% |
| Natural resources | 5.0% | 5.0% |
| Traditional credit | 5.0% | 3.2% |
| Alternative credit | 10.0% | 7.4% |
| Diversifiers | 7.5% | 5.9% |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Airport’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the Airport’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Airport’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

| | 1% Decrease <u>(5.50%)</u> | Current Discount Rate <u>(6.50%)</u> | 1% Increase <u>(7.50%)</u> |
|---|----------------------------------|--|----------------------------------|
| Airport’s proportionate share of the net pension liability (asset) | \$ 119,837 | 40,564 | (24,958) |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2023.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Required Supplementary Information

Schedule of Airport's Proportionate Share of the Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years**

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Airport's proportion of the net pension liability (asset) | 0.0153% | 0.0184% | 0.0189% | 0.0207% | 0.0283% | 0.0307% | 0.0296% | 0.0346% | 0.0352% |
| Airport's proportionate share of the net pension liability (asset) \$ | 40,564 | (5,927) | 75,176 | 63,309 | 77,363 | 125,857 | 157,460 | 110,499 | 54,123 |
| Airport's covered payroll | 118,400 | 124,919 | 122,221 | 126,698 | 163,457 | 165,843 | 156,248 | 181,591 | 187,479 |
| Airport's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 34.26% | -4.74% | 61.51% | 49.97% | 47.33% | 75.89% | 100.78% | 60.85% | 28.87% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 93.26% | 100.86% | 88.35% | 90.62% | 91.14% | 86.43% | 81.60% | 88.27% | 94.10% |

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

**Only nine years of information available.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Required Supplementary Information, Continued

Schedule of Airport Contributions – Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually required contribution | \$ 16,987 | 12,011 | 12,617 | 12,222 | 12,670 | 15,692 | 15,755 | 13,906 | 14,157 |
| Contributions in relation to the contractually required contribution | <u>(16,987)</u> | <u>(12,011)</u> | <u>(12,617)</u> | <u>(12,222)</u> | <u>(12,670)</u> | <u>(15,692)</u> | <u>(15,755)</u> | <u>(13,906)</u> | <u>(14,157)</u> |
| Contribution deficiency (excess) | \$ <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Airport's covered payroll | \$ 166,543 | 118,400 | 124,919 | 122,221 | 126,698 | 163,457 | 165,843 | 156,248 | 181,591 |
| Contributions as a percentage of covered payroll | 10.20% | 10.14% | 10.10% | 10.00% | 10.00% | 9.60% | 9.50% | 8.90% | 7.80% |

* Only nine years of information available.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Required Supplementary Information

Changes of Benefit Terms (Pension) - None

Changes of Assumptions (Pension) - The following are changes in actuarial assumptions used in the most recent valuations:

| Fiscal Year | <u>2022</u> | <u>2021</u> | <u>2019</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------------------|--------------|---------------|-------------|-------------|-------------|-------------|-------------|
| Discount rate | 6.50% | 6.75% | 6.75% | 6.88% | 7.13% | 7.13% | 7.25% |
| Inflation rate | 2.75% | 2.75% | 2.75% | 2.75% | 3.50% | 3.50% | 3.50% |
| Salary increases | 2.75%-11.48% | 2.75% + merit | 2.75-9% | 2.75-9% | 3.50-9.50% | 3.50-9.50% | 3.50-9.50% |
| Cost of living increases | 1.91% | 1.91% | 1.91% | 2.20% | 2.55% | 2.55% | 2.55% |

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. Between 2016 and 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting 2021, Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

* This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the year ended June 30, 2023

| | Budget | Actual | Variance positive (negative) |
|---|------------|-----------|------------------------------------|
| Operating revenues: | | | |
| Charges to users: | | | |
| Rents | \$ 248,290 | 201,728 | (46,562) |
| Tie-down fees | 35,000 | 50,723 | 15,723 |
| Landing fees | 30,000 | 29,730 | (270) |
| Fuel sales and flowage fees | 1,086,000 | 720,066 | (365,934) |
| Fees - catering | 2,500 | 1,231 | (1,269) |
| Off hour call out | 6,000 | 14,600 | 8,600 |
| Aircraft maintenance | 6,475 | 2,219 | (4,256) |
| Municipal operating subsidies | 410,000 | 410,000 | - |
| Sale of Christian Hill materials | 97,500 | 71,867 | (25,633) |
| Other operating and miscellaneous | 8,500 | 6,426 | (2,074) |
| Total operating revenues | 1,930,265 | 1,508,590 | (421,675) |
| Operating expenses: | | | |
| Salaries | 537,505 | 489,050 | 48,455 |
| Fringe benefits | 281,035 | 155,830 | 125,205 |
| Overtime | 8,000 | 11,299 | (3,299) |
| Advertising | 18,500 | 12,476 | 6,024 |
| Telephone and internet | 6,260 | 5,048 | 1,212 |
| Insurance | 41,486 | 36,221 | 5,265 |
| Legal Fees | 15,000 | 37,700 | (22,700) |
| Professional services | 32,700 | 40,505 | (7,805) |
| Utilities | 49,588 | 67,290 | (17,702) |
| Snow and ice control | 30,988 | 17,385 | 13,603 |
| Building and radio maintenance | 39,850 | 48,947 | (9,097) |
| Electrical maintenance | 5,000 | 7,757 | (2,757) |
| Vehicle maintenance | 20,875 | 21,041 | (166) |
| Airfield maintenance | 26,710 | 18,409 | 8,301 |
| Pavement maintenance | 7,298 | - | 7,298 |
| Office machine/computer repairs | 20,000 | 20,657 | (657) |
| Travel and training | 14,755 | 1,938 | 12,817 |
| Office supplies | 4,600 | 4,436 | 164 |
| Gasoline and oil - motor vehicle supplies | 12,700 | 18,175 | (5,475) |
| Gasoline and oil - for resale | 691,201 | 543,810 | 147,391 |
| Plant equipment | 2,065 | 7,926 | (5,861) |
| Ground support equipment | 22,400 | 27,680 | (5,280) |
| Repairs aircraft | 849 | 537 | 312 |
| Total operating expenses | 1,889,365 | 1,594,117 | 295,248 |
| Operating gain (loss) | 40,900 | (85,527) | (126,427) |
| Nonoperating revenues (expenses): | | | |
| Gain on sale of property | 45,000 | 49,170 | 4,170 |
| Interest and property tax expense | (115,000) | (20,426) | 94,574 |
| Land fund interest | - | 1,704 | 1,704 |
| Airport interest | 1,100 | 2,946 | 1,846 |
| Excise tax | 28,000 | 23,100 | (4,900) |
| Total nonoperating revenues (expenses) | (40,900) | 56,494 | 97,394 |
| Change in net position | - | (29,033) | (29,033) |
| Items not part of operating budget: | | | |
| Depreciation | | (755,936) | |
| Capital grants and subsidy | | 1,731,500 | |
| Change in Net Pension Liability and related deferred inflows and outflows | | 16,921 | |
| Adjustment to account for leases under GASB 87 | | (21,114) | |
| Miscellaneous repairs and maintenance | | (3,257) | |
| Change in net position, June 30, 2023 | \$ | 939,081 | |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Combining Statement of Net Position
June 30, 2023

| | Airport Operations | Airport Land Fund | Airport Capital Projects | Total |
|--|-----------------------|----------------------|-----------------------------|--------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 229,547 | 151,002 | - | 380,549 |
| Accounts receivable | 84,894 | - | - | 84,894 |
| Grants receivable | - | - | 855,318 | 855,318 |
| Lease receivable | 1,280,871 | - | - | 1,280,871 |
| Inventory for resale | 58,466 | - | - | 58,466 |
| Prepaid expenses | 15,162 | - | - | 15,162 |
| Interfund receivable | - | 78,849 | 14,689,914 | 14,768,763 |
| Total current assets | 1,668,940 | 229,851 | 15,545,232 | 17,444,023 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | 1,717,208 | - | - | 1,717,208 |
| Construction-in-progress | 1,941,473 | - | - | 1,941,473 |
| Land improvements | 26,972,544 | - | - | 26,972,544 |
| Buildings | 4,458,443 | - | - | 4,458,443 |
| Equipment and vehicles | 1,763,884 | - | - | 1,763,884 |
| Less accumulated depreciation | (17,876,615) | - | - | (17,876,615) |
| Net capital assets | 18,976,937 | - | - | 18,976,937 |
| Total assets | 20,645,877 | 229,851 | 15,545,232 | 36,420,960 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources related to pensions | 32,759 | - | - | 32,759 |
| Total deferred outflows of resources | 32,759 | - | - | 32,759 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued payroll | 102,383 | - | 166,440 | 268,823 |
| Deferred income | 9,078 | - | - | 9,078 |
| Interfund payable | 14,768,763 | - | - | 14,768,763 |
| Accrued interest | 20,426 | - | - | 20,426 |
| Total current liabilities | 14,900,650 | - | 166,440 | 15,067,090 |
| Noncurrent liabilities: | | | | |
| Net pension liability | 40,564 | - | - | 40,564 |
| Notes payable, excluding current portion | 1,199,063 | - | - | 1,199,063 |
| Accrued compensated absences | 34,748 | - | - | 34,748 |
| Total noncurrent liabilities | 1,274,375 | - | - | 1,274,375 |
| Total liabilities | 16,175,025 | - | 166,440 | 16,341,465 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources related to pensions | 23,516 | - | - | 23,516 |
| Deferred inflows of resources related to leases | 1,238,990 | - | - | 1,238,990 |
| Total deferred inflows of resources | 1,262,506 | - | - | 1,262,506 |
| NET POSITION: | | | | |
| Net investment in capital assets | 17,777,874 | - | - | 17,777,874 |
| Unrestricted | (14,536,769) | 229,851 | 15,378,792 | 1,071,874 |
| Total net position | \$ 3,241,105 | 229,851 | 15,378,792 | 18,849,748 |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2023

| | Airport Operations | Airport Land Fund | Airport Capital Projects | Total |
|---|-----------------------|----------------------|-----------------------------|-------------------|
| Operating revenues: | | | | |
| Charges to users: | | | | |
| Rents | \$ 128,502 | - | - | 128,502 |
| Tie-down fees | 50,723 | - | - | 50,723 |
| Landing fees | 29,730 | - | - | 29,730 |
| Fuel sales | 720,066 | - | - | 720,066 |
| Fees - catering | 1,231 | - | - | 1,231 |
| Off hour call out | 14,600 | - | - | 14,600 |
| Aircraft maintenance | 2,219 | - | - | 2,219 |
| Municipal operating subsidies | 410,000 | - | - | 410,000 |
| Sale of Christian Hill materials | 71,867 | - | - | 71,867 |
| Other operating and miscellaneous | 2,676 | - | 3,750 | 6,426 |
| Total operating revenues | 1,431,614 | - | 3,750 | 1,435,364 |
| Operating expenses: | | | | |
| Salaries | 489,050 | - | - | 489,050 |
| Fringe benefits | 155,830 | - | - | 155,830 |
| Overtime | 11,299 | - | - | 11,299 |
| Advertising | 12,476 | - | - | 12,476 |
| Telephone and internet | 5,048 | - | - | 5,048 |
| Insurance | 36,221 | - | - | 36,221 |
| Legal fees | 37,700 | - | - | 37,700 |
| Professional services | 40,505 | - | - | 40,505 |
| Utilities | 67,290 | - | - | 67,290 |
| Snow and ice control | 17,385 | - | - | 17,385 |
| Building and radio maintenance | 48,947 | - | - | 48,947 |
| Electrical maintenance | 7,757 | - | - | 7,757 |
| Vehicle maintenance | 21,041 | - | - | 21,041 |
| Airfield maintenance | 18,409 | - | - | 18,409 |
| Office machine/computer repairs | 20,657 | - | - | 20,657 |
| Travel and training | 1,938 | - | - | 1,938 |
| Office supplies | 4,436 | - | - | 4,436 |
| Gasoline and oil - motor vehicle supplies | 18,175 | - | - | 18,175 |
| Gasoline and oil - for resale | 543,810 | - | - | 543,810 |
| Plant equipment | 7,926 | - | - | 7,926 |
| Ground support equipment | 27,680 | - | - | 27,680 |
| Supplies aircraft maintenance | 537 | - | - | 537 |
| Miscellaneous repairs and maintenance | - | - | 3,257 | 3,257 |
| Depreciation | 755,936 | - | - | 755,936 |
| Total operating expenses | 2,350,053 | - | 3,257 | 2,353,310 |
| Operating gain (loss) | (918,439) | - | 493 | (917,946) |
| Nonoperating revenues (expenses): | | | | |
| Interest and property tax expense | (20,426) | - | - | (20,426) |
| Land fund interest | - | 1,704 | - | 1,704 |
| Airport interest | 55,058 | - | - | 55,058 |
| Capital grants and subsidy | - | - | 1,731,500 | 1,731,500 |
| Gain on sale of assets | 49,170 | - | - | 49,170 |
| Excise tax | - | - | 23,100 | 23,100 |
| Amortization of change in net pension liability | 16,921 | - | - | 16,921 |
| Total nonoperating revenues (expenses) | 100,723 | 1,704 | 1,754,600 | 1,857,027 |
| Change in net position | (817,716) | 1,704 | 1,755,093 | 939,081 |
| Net position, beginning of year | 4,058,821 | 228,147 | 13,623,699 | 17,910,667 |
| Net position, end of year | \$ 3,241,105 | 229,851 | 15,378,792 | 18,849,748 |



**Auburn Lewiston Municipal Airport - Board of Directors - Meeting Agenda
July 10, 2024 5:30 P.M.
Administrative Conference Room 80 Airport Drive, Auburn, Maine**

Call to Order (by Board Secretary Larry Allen) at 5:30 PM

Attendance: D. Chittim, M. Garside, M. Blais, P. Crowell, L. Allen, B. Weisner, T. Roy (arrived 5:37 PM)

I. Election of Officers

- 1. Chair** - Motion by P. Crowell, second by D. Chittim to elect L. Allen (passed 6-0-1, L. Allen abstaining)
- 2. Vice – Chair** – Motion by P. Crowell, second by D. Chittim to elect M. Garside (passed 6-0-1, M. Garside abstaining)
- 3. Treasurer** - Motion by M. Blais, second by M. Garside to elect T. Roy (passed 6-0-1, T. Roy abstaining)
- 4. Secretary – Per By-laws, can be Airport Director unless otherwise elected by Board** - Motion by P. Crowell, second by T. Roy to confirm Airport Director as Secretary, passed 7-0

II. Consent Items

III. Minutes

- 1.** June 12, 2024 Meeting – Motion by D. Chittim, second by M. Garside, passed 5-0-2, L. Allen and T. Roy abstaining

IV. Financial Report – Treasurer

- 1.** FY 2024 thru June (Revenue and Expense, Balance Sheet UNAUDITED) – Presentation not given
- 2.** Fuel Sales Year over Year Comparisons (with supplemental chart on LEW aircraft operations)

V. Communications –

VI. Public Comment – *Members of the public are invited to speak to the Board of Directors about any issue directly related to airport business.*

VII. Old Business

VIII. New Business

- 1.** An Order Establishing the Fee Structure for FY2025 – Motion by P. Crowell and second by D. Chittim, passed 7-0
- 2.** An Order Authorizing the Airport Director to Request that Each Sponsor Reallocate Local-only CIP Items to Fund Priority Projects – Motion by D. Chittim, second by P. Crowell, passed 7-0

3. An Order Amending the Airport Minimum Standards for Commercial Activities Per FAA Recommendations – Motion by D. Chittim, second by M. Garside, passed 7-0

IX. Reports

1. Airport Director Report
2. Board of Directors Reports
 - a. Motion made by D. Chittim, second by M. Garside to set the FY2025 board meeting schedule as odd numbered months at 5:30 PM, passed 7-0

X. Executive Sessions

1. Pursuant 1 MRSA 405(6) A – Discussion of a Personnel Matter – Motion by T. Roy, second by B. Weisner, passed 7-0. No action followed

X. Adjournment – Motion by P. Crowell, second by M. Garside, passed 7-0

Executive Session: On occasion, the Board of Directors discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Director must make a motion in public. The motion must be recorded. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable are:

A. Discussion of personnel issues

C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency

D. Labor contracts

E. Contemplated litigation

YEAR-TO-DATE BUDGET REPORT

| FOR 2024 12 | | | | | | | | | |
|------------------------------------|-----------------|------------------|----------------|--------------|--------------|------------------|----------|--|--|
| ACCOUNTS FOR: | ORIGINAL APPROP | TRANFRS/ADJSTMTS | REVISED BUDGET | YTD EXPENDED | ENCUMBRANCES | AVAILABLE BUDGET | PCT USED | | |
| 9000 Airport Operations | | | | | | | | | |
| 9001 Airport Personnel | | | | | | | | | |
| 9001 611000 Regular Salaries | 262,035 | 0 | 262,035 | 142,334.30 | .00 | 119,700.70 | 54.3% | | |
| 9001 613000 Overtime | 4,000 | 0 | 4,000 | 6,709.56 | .00 | -2,709.56 | 167.7% | | |
| 9001 617020 Fringe Benefits | 159,620 | 0 | 159,620 | 81,875.26 | .00 | 77,744.74 | 51.3% | | |
| 9001 617030 Professional Develo | 6,000 | 0 | 6,000 | 3,160.52 | .00 | 2,839.48 | 52.7% | | |
| TOTAL NO PROJECT | 431,655 | 0 | 431,655 | 234,079.64 | .00 | 197,575.36 | 54.2% | | |
| TOTAL Airport Personnel | 431,655 | 0 | 431,655 | 234,079.64 | .00 | 197,575.36 | 54.2% | | |
| 9002 Airport Operations | | | | | | | | | |
| 9002 628000 Contract Services | 9,000 | 0 | 9,000 | 67,229.43 | .00 | -58,229.43 | 747.0% | | |
| 9002 633030 Fuels and Oil for V | 20,000 | 0 | 20,000 | 25,732.03 | 42.65 | -5,774.68 | 128.9% | | |
| 9002 633040 Snow and Ice Contro | 18,000 | 0 | 18,000 | .00 | .00 | 18,000.00 | .0% | | |
| 9002 641100 Utilities | 125,500 | 0 | 125,500 | 94,197.89 | .00 | 31,302.11 | 75.1% | | |
| TOTAL NO PROJECT | 172,500 | 0 | 172,500 | 187,159.35 | 42.65 | -14,702.00 | 108.5% | | |
| TOTAL Airport Operations | 172,500 | 0 | 172,500 | 187,159.35 | 42.65 | -14,702.00 | 108.5% | | |
| 9003 Airport Maintenance | | | | | | | | | |
| 9003 628000 PS - Gen/Profession | 0 | 0 | 0 | 98.75 | .00 | -98.75 | 100.0% | | |
| 9003 628019 Building Maintenanc | 23,100 | 0 | 23,100 | 34,003.89 | 500.00 | -11,403.89 | 149.4% | | |
| 9003 628020 Vehicle Maintenance | 17,831 | 0 | 17,831 | 26,248.77 | .00 | -8,417.77 | 147.2% | | |
| 9003 628021 Radio Maintenance | 1,700 | 0 | 1,700 | 785.75 | .00 | 914.25 | 46.2% | | |
| 9003 628038 Electrical Maintena | 7,000 | 0 | 7,000 | 7,217.82 | .00 | -217.82 | 103.1% | | |
| 9003 628039 Airfield Maintenanc | 30,750 | 0 | 30,750 | 13,804.29 | 5,136.22 | 11,809.49 | 61.6% | | |
| 9003 633041 Computer/Office Mac | 20,500 | 0 | 20,500 | 18,705.31 | .00 | 1,794.69 | 91.2% | | |
| 9003 633042 Pavement Maintenanc | 6,000 | 0 | 6,000 | 45,328.54 | 707.56 | -40,036.10 | 767.3% | | |
| TOTAL NO PROJECT | 106,881 | 0 | 106,881 | 146,193.12 | 6,343.78 | -45,655.90 | 142.7% | | |
| TOTAL Airport Maintenance | 106,881 | 0 | 106,881 | 146,193.12 | 6,343.78 | -45,655.90 | 142.7% | | |
| 9004 Airport Administration | | | | | | | | | |
| 9004 620000 Advertising and Pr | 6,500 | 0 | 6,500 | 1,447.68 | .00 | 5,052.32 | 22.3% | | |

YEAR-TO-DATE BUDGET REPORT

| FOR 2024 12 | | | | | | | | | |
|-------------------------------------|-----------|----------|-----------|--------------|----------|--------------|-------------|--------|--|
| ACCOUNTS FOR: | ORIGINAL | TRANFRS/ | REVISED | | | | AVAILABLE | PCT | |
| 9000 Airport Operations | APPROP | ADJSTMTS | BUDGET | YTD | EXPENDED | ENCUMBRANCES | BUDGET | USED | |
| 9004 628000 Professional Servc | 35,800 | 0 | 35,800 | 36,230.49 | | 20,000.00 | -20,430.49 | 157.1% | |
| 9004 628016 Legal Services | 45,000 | 0 | 45,000 | 14,807.82 | | .00 | 30,192.18 | 32.9% | |
| 9004 628041 Hangar Lease | 12,000 | 0 | 12,000 | .00 | | .00 | 12,000.00 | .0% | |
| 9004 633000 Office Supplies | 4,100 | 0 | 4,100 | 4,353.41 | | .00 | -253.41 | 106.2% | |
| 9004 640000 Telephone and Inter | 5,700 | 0 | 5,700 | 9,803.10 | | .00 | -4,103.10 | 172.0% | |
| 9004 645000 Insurance Premiums | 40,200 | 0 | 40,200 | 22,059.85 | | .00 | 18,140.15 | 54.9% | |
| TOTAL NO PROJECT | 149,300 | 0 | 149,300 | 88,702.35 | | 20,000.00 | 40,597.65 | 72.8% | |
| TOTAL Airport Administration | 149,300 | 0 | 149,300 | 88,702.35 | | 20,000.00 | 40,597.65 | 72.8% | |
| 9010 Airport-FBO | | | | | | | | | |
| 9010 633047 PROCESSING FEE | 0 | 0 | 0 | 7,120.21 | | .00 | -7,120.21 | 100.0% | |
| TOTAL NO PROJECT | 0 | 0 | 0 | 7,120.21 | | .00 | -7,120.21 | 100.0% | |
| TOTAL Airport-FBO | 0 | 0 | 0 | 7,120.21 | | .00 | -7,120.21 | 100.0% | |
| 9015 Services (FBO) Expenses | | | | | | | | | |
| 9015 611000 Regular Salaries | 150,000 | 0 | 150,000 | 34,330.41 | | .00 | 115,669.59 | 22.9% | |
| 9015 613000 Overtime | 4,000 | 0 | 4,000 | 31.98 | | .00 | 3,968.02 | .8% | |
| 9015 620000 Advertising | 1,200 | 0 | 1,200 | 1,282.92 | | .00 | -82.92 | 106.9% | |
| 9015 628000 Prof/Contracted Ser | 0 | 0 | 0 | 168,667.17 | | .00 | -168,667.17 | 100.0% | |
| 9015 628021 Plant Equipment | 2,065 | 0 | 2,065 | 3,134.14 | | .00 | -1,069.14 | 151.8% | |
| 9015 628044 Ground Support Equi | 16,000 | 0 | 16,000 | 24,664.80 | | 93.76 | -8,758.56 | 154.7% | |
| 9015 628071 Fuel Flowage | 12,500 | 0 | 12,500 | 16,039.60 | | .00 | -3,539.60 | 128.3% | |
| 9015 633030 Fuels & Oils | 525,000 | 61,876 | 586,876 | 619,743.14 | | .00 | -32,866.81 | 105.6% | |
| 9015 645000 Insurance Premiums | 2,500 | 0 | 2,500 | .00 | | .00 | 2,500.00 | .0% | |
| TOTAL NO PROJECT | 713,265 | 61,876 | 775,141 | 867,894.16 | | 93.76 | -92,846.59 | 112.0% | |
| TOTAL Services (FBO) Expenses | 713,265 | 61,876 | 775,141 | 867,894.16 | | 93.76 | -92,846.59 | 112.0% | |
| TOTAL Airport Operations | 1,573,601 | 61,876 | 1,635,477 | 1,531,148.83 | | 26,480.19 | 77,848.31 | 95.2% | |
| TOTAL EXPENSES | 1,573,601 | 61,876 | 1,635,477 | 1,531,148.83 | | 26,480.19 | 77,848.31 | | |

YEAR-TO-DATE BUDGET REPORT

| FOR 2024 12 | | | | | | | | | |
|----------------------------------|-----------------|------------------|----------------|---------------|--------------|------------------|----------|--|--|
| ACCOUNTS FOR: | ORIGINAL APPROP | TRANFRS/ADJSTMTS | REVISED BUDGET | YTD EXPENDED | ENCUMBRANCES | AVAILABLE BUDGET | PCT USED | | |
| 9000 Airport Operations | | | | | | | | | |
| 9000 Airport Operations | | | | | | | | | |
| 9000 420035 Fees - Fuel Flowage | -13,500 | 0 | -13,500 | -17,874.20 | .00 | 4,374.20 | 132.4% | | |
| 9000 420040 Fees - Landings | -27,000 | 0 | -27,000 | -28,871.93 | .00 | 1,871.93 | 106.9% | | |
| 9000 429005 Christian Hill Mate | -100,000 | 0 | -100,000 | -91,837.26 | .00 | -8,162.74 | 91.8% | | |
| 9000 429025 Rental Fees | -207,500 | 0 | -207,500 | -130,365.29 | .00 | -77,134.71 | 62.8% | | |
| TOTAL NO PROJECT | -348,000 | 0 | -348,000 | -268,948.68 | .00 | -79,051.32 | 77.3% | | |
| TOTAL Airport Operations | -348,000 | 0 | -348,000 | -268,948.68 | .00 | -79,051.32 | 77.3% | | |
| 9005 Airport Other Income | | | | | | | | | |
| 9005 401600 Municipal Subsidy | -410,000 | 0 | -410,000 | -410,000.00 | .00 | .00 | 100.0% | | |
| 9005 402003 Tax Sharing Revenue | 0 | 0 | 0 | -24,045.00 | .00 | 24,045.00 | 100.0% | | |
| 9005 420063 Service Fees | -500 | 0 | -500 | -18,840.91 | .00 | 18,340.91 | 3768.2% | | |
| 9005 422000 Investment Income | -1,000 | 0 | -1,000 | -7,115.19 | .00 | 6,115.19 | 711.5% | | |
| 9005 429013 Sale of Assets | -75,000 | 0 | -75,000 | -340,461.93 | .00 | 265,461.93 | 453.9% | | |
| 9005 429019 FLIGHT SIMULATOR | -6,500 | 0 | -6,500 | -772.22 | .00 | -5,727.78 | 11.9% | | |
| TOTAL NO PROJECT | -493,000 | 0 | -493,000 | -801,235.25 | .00 | 308,235.25 | 162.5% | | |
| TOTAL Airport Other Income | -493,000 | 0 | -493,000 | -801,235.25 | .00 | 308,235.25 | 162.5% | | |
| 9010 Airport-FBO | | | | | | | | | |
| 9010 420035 Fees - Fuel and Oi | -661,372 | 0 | -661,372 | -762,979.16 | .00 | 101,607.16 | 115.4% | | |
| 9010 420051 Tie Down/Hangar/Co | -50,000 | 0 | -50,000 | -74,487.68 | .00 | 24,487.68 | 149.0% | | |
| 9010 420059 Fees-Catering | 0 | 0 | 0 | -213.69 | .00 | 213.69 | 100.0% | | |
| 9010 420060 After Hour Call out | -5,625 | 0 | -5,625 | -9,275.00 | .00 | 3,650.00 | 164.9% | | |
| 9010 420061 Flight Line Service | -6,620 | 0 | -6,620 | -5,258.40 | .00 | -1,361.60 | 79.4% | | |
| 9010 420064 Rental Car | -3,340 | 0 | -3,340 | -2,948.07 | .00 | -391.93 | 88.3% | | |
| 9010 420915 Service Lease | -7,200 | 0 | -7,200 | -3,600.00 | .00 | -3,600.00 | 50.0% | | |
| TOTAL NO PROJECT | -734,157 | 0 | -734,157 | -858,762.00 | .00 | 124,605.00 | 117.0% | | |
| TOTAL Airport-FBO | -734,157 | 0 | -734,157 | -858,762.00 | .00 | 124,605.00 | 117.0% | | |
| TOTAL Airport Operations | -1,575,157 | 0 | -1,575,157 | -1,928,945.93 | .00 | 353,788.93 | 122.5% | | |
| TOTAL REVENUES | -1,575,157 | 0 | -1,575,157 | -1,928,945.93 | .00 | 353,788.93 | | | |

BALANCE SHEET FOR 2024 12

| FUND: 9000 Airport Operations | | | NET CHANGE FOR PERIOD | ACCOUNT BALANCE |
|-------------------------------|--------------------------|--------------------------------|--------------------------|----------------------|
| ASSETS | | | | |
| 9000 | 011010 | Airport Checking | -130,952.51 | 462,594.33 |
| 9000 | 011030 | Cash-Petty Cash | .00 | 700.00 |
| 9000 | 011140 | Interest Receivable | .00 | .01 |
| 9000 | 011530 | Accounts Receivable | 192,522.66 | 181,800.02 |
| 9000 | 011540 | Allowance for Uncollect Accts | .00 | -1,747,727.63 |
| 9000 | 011545 | Lease Receivable | .00 | 3,028,598.23 |
| 9000 | 011810 | Prepaid Expenses | 12,718.50 | 27,880.51 |
| 9000 | 011811 | Prepaid Rent | -115.00 | -1,530.20 |
| 9000 | 011900 | INVENTORY FOR RESALE | .00 | 58,465.97 |
| 9000 | 012110 | Land | .00 | 1,717,208.27 |
| 9000 | 012111 | Land Improvements | .00 | 26,972,543.84 |
| 9000 | 012112 | Construction In Progress | .00 | 1,941,472.98 |
| 9000 | 012310 | Buildings & Bldg Improvements | .00 | 4,458,442.82 |
| 9000 | 012410 | Machinery & Equipment | .00 | 1,763,883.52 |
| 9000 | 012900 | Accumulated Depreciation | .00 | -17,876,614.76 |
| 9000 | 013000 | DEF OUTFLOW-NET PENSION | .00 | 32,758.94 |
| 9000 | 016000 | DUE TO / DUE FROM | -6,963.40 | -14,723,589.28 |
| | TOTAL ASSETS | | 67,210.25 | 6,296,887.57 |
| LIABILITIES | | | | |
| 9000 | 024210 | Accounts Payable | -93,440.63 | -104,440.63 |
| 9000 | 024230 | Loan Payable-City of Auburn | .00 | -599,531.67 |
| 9000 | 024231 | Loan Payable-City of Lewiston | .00 | -599,531.67 |
| 9000 | 024240 | ACCRUED INTEREST | .00 | -20,426.13 |
| 9000 | 024610 | Accrued Payroll | -3,150.30 | -3,150.30 |
| 9000 | 024611 | Compensated Absences | 11,244.89 | -23,502.74 |
| 9000 | 024710 | Federal withholding Taxes | 450.32 | .00 |
| 9000 | 024713 | Medicare withholding Taxes | -450.32 | .00 |
| 9000 | 024730 | ICMA Deferred Comp-City | 1,300.00 | .00 |
| 9000 | 024734 | ME State Retirement | 5,239.77 | .00 |
| 9000 | 024750 | Life Insurance-City | -8.70 | .00 |
| 9000 | 024758 | MMA Health Ins-Airport | 2,568.27 | .00 |
| 9000 | 024765 | Dental | -36.73 | .00 |
| 9000 | 024772 | Flex Spending-Airport | 169.00 | .00 |
| 9000 | 024773 | Vision | 16.79 | .00 |
| 9000 | 024829 | DUE TO STATE - SALES TAX | .00 | -149.37 |
| 9000 | 025000 | DEF INFLOW NET PENSION | .00 | -23,516.00 |
| 9000 | 026000 | NET PENSION LIABILITY | .00 | -40,564.00 |
| 9000 | 029000 | Deferred Inflow - Leases | .00 | -1,238,990.41 |
| | TOTAL LIABILITIES | | -76,097.64 | -2,653,802.92 |
| FUND BALANCE | | | | |
| 9000 | 037000 | Ctrl Total - Encumbrances | -81,865.91 | 26,480.19 |
| 9000 | 037100 | FB ASSIGNED CITY | .00 | -1,836,398.00 |
| 9000 | 037104 | FB UNASSIGNED | .00 | -1,408,889.55 |
| 9000 | 037201 | CTRL TOTAL-BUD FB DESIGNATED | 81,865.91 | -26,480.19 |
| 9000 | 037301 | Ctrl Total - Bud FB Undesignat | .00 | 60,320.33 |
| 9000 | 047000 | Ctrl Total - Revenues | -254,002.79 | -1,928,945.93 |
| 9000 | 047001 | CONTROL - ESTIMATED REVENUE | .00 | 1,575,157.00 |

BALANCE SHEET FOR 2024 12

| FUND: 9000 Airport Operations | | | NET CHANGE FOR PERIOD | ACCOUNT BALANCE |
|-------------------------------|----------------------------------|---------------------------|--------------------------|--------------------|
| FUND BALANCE | | | | |
| 9000 | 057000 | CTRL TOTAL-EXPENDITURES | 262,890.18 | 1,531,148.83 |
| 9000 | 057001 | CTRL TOTAL-APPROPRIATIONS | .00 | -1,635,477.33 |
| | TOTAL FUND BALANCE | | 8,887.39 | -3,643,084.65 |
| | TOTAL LIABILITIES + FUND BALANCE | | -67,210.25 | -6,296,887.57 |

** END OF REPORT - Generated by Gina Klemanski **

**AUBURN LEWISTON AIRPORT
PROPOSED BUDGET
FY2024**

| | FY2022 REVISED BUDGET | UNAUDITED FY2022 ACTUAL | FY2023 APPROVED BUDGET | FY2023 REVISED BUDGET | FY2023 ACTUAL (UNAUDITED) AS OF 6/30/2023 | FY2024 ADOPTED BUDGET | FY2024 UNAUDITED | FY2025 ADOPTED 4/10/2024 | FY2025 YTD 8/31/2024 | % Used of Budget FOR FY25 |
|----------------------------|--------------------------------------|--|---------------------------------------|--------------------------------------|--|--------------------------------------|-----------------------------|---|-------------------------------------|--|
| AIRPORT OPERATIONS | | | | | | | | | | |
| REVENUES | | | | | | | | | | |
| Operations | | | | | | | | | | |
| Fees - Fuel Flowage | 15,000 | 14,602 | 20,000 | 20,000 | 12,082 | 13,500 | 17,874 | 18,500 | 1,169 | 6% |
| Fees - Landings | 23,788 | 25,561 | 30,000 | 30,000 | 29,730 | 27,000 | 28,872 | 40,000 | 7,158 | 18% |
| Christian Hill Materials | 97,500 | 75,258 | 97,500 | 97,500 | 71,867 | 100,000 | 91,837 | 100,000 | 13,572 | 14% |
| Rental Fees | 256,540 | 270,588 | 248,290 | 248,290 | 208,372 | 207,500 | 130,365 | 175,000 | 27,052 | 15% |
| Flight Simulator | - | - | - | 7,000 | 192 | 6,500 | 772 | 2,000 | - | 0% |
| | 392,828 | 386,010 | 395,790 | 402,790 | 322,243 | 354,500 | 269,721 | 335,500 | 48,951 | 15% |
| Non-Operations | | | | | | | | | | |
| Municipal Subsidy | 354,000 | 354,000 | 410,000 | 410,000 | 410,000 | 410,000 | 410,000 | 410,000 | 256,250 | 63% |
| Tax Sharing | 27,500 | 23,100 | 28,000 | 28,000 | - | - | - | - | - | - |
| Service fees | 1,500 | 103 | 1,500 | 1,500 | 467 | 500 | 18,841 | 500 | 1,670 | 334% |
| Investment Income | 1,100 | 563 | 1,100 | 1,100 | 2,946 | 1,000 | 7,115 | 3,000 | 525 | 17% |
| Sale of Hangar #5 Assets | - | - | - | - | - | 75,000 | 340,432 | 75,000 | 106,892 | 143% |
| Sale of Assets | - | 15,800 | 45,000 | 45,000 | 49,169 | - | - | - | - | - |
| | 384,100 | 393,566 | 485,600 | 485,600 | 462,582 | 486,500 | 776,388 | 488,500 | 365,337 | 75% |
| TOTAL REVENUES | 776,928 | 779,576 | 881,390 | 888,390 | 784,825 | 841,000 | 1,046,109 | 824,000 | 414,288 | 50% |
| EXPENDITURES | | | | | | | | | | |
| Regular Salaries | 268,918 | 233,378 | 305,107 | 305,107 | 287,229 | 262,035 | 142,334 | 170,000 | 28,218 | 17% |
| Overtime | 4,000 | 4,115 | 4,000 | 4,000 | 5,054 | 4,000 | 6,710 | 9,000 | 233 | 3% |
| Fringe Benefits | 108,161 | 104,134 | 132,902 | 132,902 | 118,957 | 166,445 | 81,875 | 118,283 | 18,839 | 16% |
| Professional Development | 9,855 | 2,200 | 14,755 | 14,755 | 1,938 | 6,000 | 3,161 | 15,000 | 403 | 3% |
| Gen/Professional | 2,000 | 425 | 2,000 | 2,000 | 10,491 | 9,000 | 99 | 140,000 | - | 0% |
| MV Supplies - Gas & Oil | 15,175 | 11,878 | 12,700 | 12,700 | 18,175 | 20,000 | 25,732 | 26,000 | 79 | 0% |
| Snow and Ice Control | 26,488 | 9,390 | 30,988 | 30,988 | 17,385 | 18,000 | - | 1,000 | - | 0% |
| Utilities | 32,953 | 39,145 | 33,425 | 33,425 | 50,641 | 125,500 | 94,198 | 115,000 | 35 | 0% |
| Building Maintenance | 34,000 | 19,463 | 36,800 | 36,800 | 48,586 | 23,100 | 34,004 | 33,000 | 7,257 | 22% |
| Vehicle Maintenance | 16,675 | 38,728 | 20,875 | 20,875 | 21,041 | 17,831 | 26,249 | 25,000 | 2,250 | 9% |
| Radio Maintenance | 5,350 | 4,434 | 3,050 | 3,050 | 361 | 1,700 | 786 | 1,500 | - | 0% |
| Electrical Maintenance | 1,000 | 3,906 | 5,000 | 5,000 | 7,757 | 7,000 | 7,218 | 4,000 | - | 0% |
| Airfield Maintenance | 24,438 | 23,420 | 26,710 | 26,710 | 18,405 | 30,750 | 13,804 | 32,250 | 2,460 | 8% |
| Computer / Office Machine | 7,000 | 11,814 | 20,000 | 20,000 | 20,657 | 20,500 | 18,705 | 10,000 | - | 0% |
| Pavement Maintenance | 8,798 | - | 7,298 | 7,298 | - | 6,000 | 45,329 | 29,000 | - | 0% |
| Advertising and Promo | 9,065 | 2,162 | 12,500 | 12,500 | 12,458 | 6,500 | 1,448 | 7,500 | - | 0% |
| Professional Services | 15,000 | 18,354 | 15,000 | 15,000 | 29,845 | 35,800 | 36,230 | 42,800 | 30,777 | 72% |
| Legal Services | 7,500 | 7,704 | 15,000 | 15,000 | 37,700 | 45,000 | 14,808 | 20,000 | 8,334 | 42% |
| Life Flight Land Fund Loan | - | - | - | - | - | 12,000 | 12,000 | 12,000 | - | 0% |
| Office Supplies | 5,600 | 4,470 | 4,600 | 4,600 | 4,436 | 4,100 | 4,353 | 2,500 | - | 0% |
| Telephone and Internet | 5,310 | 6,899 | 6,260 | 6,260 | 5,048 | 5,700 | 9,803 | 9,000 | 1,245 | 14% |
| Insurance Premiums | 40,278 | 67,495 | 41,486 | 41,486 | 36,221 | 40,200 | 22,060 | 33,400 | 15,438 | 46% |
| Depreciation | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 647,564 | 613,514 | 750,456 | 750,456 | 752,384 | 867,161 | 600,905 | 856,233 | 115,568 | 13% |
| OVER / UNDER | 129,364 | 166,061 | 130,934 | 137,934 | 32,441 | (26,161) | 445,204 | (32,233) | 298,720 | -927% |

**AUBURN LEWISTON AIRPORT
PROPOSED BUDGET
FY2024**

| | <u>FY2022 REVISED BUDGET</u> | <u>UNAUDITED FY2022 ACTUAL</u> | <u>FY2023 APPROVED BUDGET</u> | <u>FY2023 REVISED BUDGET</u> | <u>FY2023 ACTUAL (UNAUDITED) AS OF 6/30/2023</u> | <u>FY2024 ADOPTED BUDGET</u> | <u>FY2024 UNAUDITED</u> | <u>FY2025 ADOPTED 4/10/2024</u> | <u>FY2025 YTD 8/31/2024</u> | <u>% Used of Budget FOR FY25</u> |
|--|--------------------------------------|--|---------------------------------------|--------------------------------------|--|--------------------------------------|-----------------------------|---|-------------------------------------|--|
| FBO (FLIGHT LINE SERVICES/HANGAR) | | | | | | | | | | |
| REVENUES | | | | | | | | | | |
| Fuel and Oil Sales | 671,250 | 780,048 | 1,066,000 | 1,066,000 | 707,853 | 661,372 | 762,979 | 1,007,750 | 151,889 | 15% |
| Tie Down & Hanger Fees (Based) | 33,125 | 31,439 | 35,000 | 35,000 | 50,723 | 50,000 | 74,488 | 60,000 | 12,320 | 21% |
| Tie Down & Hanger Fees (Transient) | | | | | | | | | 3,750 | |
| Facility Fees | | | | | | | | | 4,440 | |
| Catering | 2,500 | 886 | 2,500 | 2,500 | 1,231 | - | 214 | - | | |
| After Hour Call Out | 4,000 | 7,077 | 6,000 | 6,000 | 14,600 | 5,625 | 9,275 | 10,000 | 5,250 | 53% |
| Flight Services | 3,750 | 930 | 6,475 | 6,475 | 2,218 | 6,620 | 5,258 | 7,000 | 1,750 | 25% |
| Rental Car | 5,500 | 2,231 | - | - | 2,018 | 3,340 | 2,948 | 3,000 | 1,308 | 44% |
| Service Lease | - | - | - | - | - | 7,200 | 3,600 | - | | |
| TOTAL REVENUES | 720,125 | 822,611 | 1,115,975 | 1,115,975 | 778,643 | 734,157 | 858,762 | 1,087,750 | 180,707 | 17% |
| EXPENDITURES | | | | | | | | | | |
| Regular Salaries | 185,318 | 183,418 | 232,398 | 232,398 | 197,640 | 150,000 | 34,330 | - | | |
| Overtime | 4,000 | 6,260 | 4,000 | 4,000 | 6,245 | 4,000 | 32 | - | | |
| Fringe Benefits | 65,445 | 49,117 | 148,133 | 148,133 | 36,874 | - | | - | | |
| Contract Services | | | | | | | 168,667 | 200,000 | 49,455 | 25% |
| Advertising | 9,065 | 937 | 6,000 | 8,565 | 18 | 1,200 | 1,283 | - | 789 | |
| Meals | 3,255 | 987 | 15,700 | 15,700 | 169 | - | | 500 | | 0% |
| Processing Fees | | | | | | | 7,120 | | 1,823 | |
| Plant Equipment | 2,065 | 2,788 | 2,065 | 7,838 | 7,926 | 2,065 | 3,134 | 1,800 | 377 | 21% |
| Ground Support Equipment | 21,400 | 72,326 | 22,400 | 25,516 | 27,679 | 16,000 | 24,665 | 9,700 | 2,117 | 22% |
| Fuels & Oils | 436,051 | 594,712 | 691,201 | 697,125 | 513,707 | 525,000 | 619,743 | 702,500 | 138,403 | 20% |
| Fuel Flowage | | | | | | 12,500 | 16,040 | 17,500 | | 0% |
| Supplies Aircraft Maintenance | 1,500 | 63 | 849 | 849 | 536 | - | | - | | |
| Hanger Loan to Cities | 115,000 | 33,050 | 115,000 | 115,000 | - | - | | 115,000 | 115,000 | 100% |
| Building Maintenance | | | | | | | | | 3,515 | |
| Insurance Premiums | - | - | - | - | - | 2,500 | | - | | |
| Utilities | 16,428 | 14,705 | 16,163 | 16,163 | 16,649 | - | | - | 825 | |
| | 859,527 | 958,363 | 1,253,909 | 1,271,287 | 807,442 | 713,265 | 875,014 | 1,047,000 | 312,304 | 30% |
| OVER / UNDER | (139,402) | (135,752) | (137,934) | (155,312) | (28,799) | 20,892 | (16,252) | 40,750 | (131,597) | -323% |
| | | | | | | TOTAL Ops and FBO | 428,952 | 8,518 | 167,124 | |

BALANCE SHEET FOR 2025 2

| FUND: 9000 Airport Operations | | | NET CHANGE FOR PERIOD | ACCOUNT BALANCE |
|-------------------------------|--------|-------------------------------|--------------------------|----------------------|
| ASSETS | | | | |
| 9000 | 011010 | Airport Checking | -64,711.56 | 387,987.13 |
| 9000 | 011030 | Cash-Petty Cash | .00 | 700.00 |
| 9000 | 011140 | Interest Receivable | .00 | .01 |
| 9000 | 011530 | Accounts Receivable | -164,815.97 | 265,454.61 |
| 9000 | 011540 | Allowance for Uncollect Accts | .00 | -1,747,727.63 |
| 9000 | 011545 | Lease Receivable | .00 | 3,028,598.23 |
| 9000 | 011810 | Prepaid Expenses | .00 | 27,880.51 |
| 9000 | 011900 | INVENTORY FOR RESALE | .00 | 58,465.97 |
| 9000 | 012110 | Land | .00 | 1,717,208.27 |
| 9000 | 012111 | Land Improvements | .00 | 26,972,543.84 |
| 9000 | 012112 | Construction In Progress | .00 | 1,941,472.98 |
| 9000 | 012310 | Buildings & Bldg Improvements | .00 | 4,458,442.82 |
| 9000 | 012410 | Machinery & Equipment | .00 | 1,763,883.52 |
| 9000 | 012900 | Accumulated Depreciation | .00 | -17,876,614.76 |
| 9000 | 013000 | DEF OUTFLOW-NET PENSION | .00 | 32,758.94 |
| 9000 | 016000 | DUE TO / DUE FROM | 12,594.65 | -14,658,372.25 |
| TOTAL ASSETS | | | -216,932.88 | 6,372,682.19 |
| LIABILITIES | | | | |
| 9000 | 024210 | Accounts Payable | 3,576.75 | -11,137.50 |
| 9000 | 024230 | Loan Payable-City of Auburn | .00 | -599,531.67 |
| 9000 | 024231 | Loan Payable-City of Lewiston | .00 | -599,531.67 |
| 9000 | 024240 | ACCRUED INTEREST | .00 | -20,426.13 |
| 9000 | 024611 | Compensated Absences | .00 | -34,747.63 |
| 9000 | 024710 | Federal withholding Taxes | .00 | -450.32 |
| 9000 | 024713 | Medicare withholding Taxes | .00 | 450.32 |
| 9000 | 024730 | ICMA Deferred Comp-City | -300.00 | -1,780.00 |
| 9000 | 024734 | ME State Retirement | -916.41 | -6,701.98 |
| 9000 | 024742 | ICMA-Airport | -485.78 | -1,156.54 |
| 9000 | 024750 | Life Insurance-City | .00 | 8.70 |
| 9000 | 024758 | MMA Health Ins-Airport | -2,460.77 | -3,784.92 |
| 9000 | 024765 | Dental | -43.80 | 36.71 |
| 9000 | 024772 | Flex Spending-Airport | -140.00 | -441.90 |
| 9000 | 024773 | Vision | -5.51 | -16.76 |
| 9000 | 024829 | DUE TO STATE - SALES TAX | .00 | -149.37 |
| 9000 | 025000 | DEF INFLOW NET PENSION | .00 | -23,516.00 |
| 9000 | 026000 | NET PENSION LIABILITY | .00 | -40,564.00 |
| 9000 | 029000 | Deferred Inflow - Leases | .00 | -1,238,990.41 |
| TOTAL LIABILITIES | | | -775.52 | -2,582,431.07 |
| FUND BALANCE | | | | |
| 9000 | 037000 | Ctrl Total - Encumbrances | -127,090.99 | 99,389.20 |
| 9000 | 037100 | FB ASSIGNED CITY | .00 | -1,836,398.00 |
| 9000 | 037104 | FB UNASSIGNED | .00 | -1,786,729.24 |
| 9000 | 037201 | CTRL TOTAL-BUD FB DESIGNATED | 127,090.99 | -99,389.20 |
| 9000 | 047000 | Ctrl Total - Revenues | -161,501.53 | -594,995.28 |
| 9000 | 057000 | CTRL TOTAL-EXPENDITURES | 379,209.93 | 427,871.40 |

BALANCE SHEET FOR 2025 2

| FUND: 9000 Airport Operations | | NET CHANGE FOR PERIOD | ACCOUNT BALANCE |
|----------------------------------|--|--------------------------|--------------------|
| FUND BALANCE | | | |
| TOTAL FUND BALANCE | | 217,708.40 | -3,790,251.12 |
| TOTAL LIABILITIES + FUND BALANCE | | 216,932.88 | -6,372,682.19 |

** END OF REPORT - Generated by Gina Klemanski **

Auburn Air Center - Fuel Sales Comparison for June, July, August (CY2018 to CY2024)

Quantity (gallons) by Year

| Product | Pay Type | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 | CY24 |
|-------------|--------------------|-----------------|----------------|---------------|---------------|-----------------|----------------|----------------|
| Avgas 100LL | Cash | 7570.8 | 7749.9 | 4662.8 | 3998.5 | 3282.3 | 7439.1 | 6268 |
| Avgas 100LL | Credit Card | 5747.25 | 5118.8 | 4438.9 | 5327.6 | 5286.35 | 2285.8 | 9198.6 |
| | TOTAL 100LL | 13318.05 | 12868.7 | 9101.7 | 9326.1 | 8568.65 | 9724.9 | 15466.6 |
| Jet A Fuel | Cash | 19017 | 23907 | 2254 | 3079 | 1032 | 1149 | 203 |
| Jet A Fuel | Contract Fuel | 21382 | 21356 | 17870 | 29189 | 28913.62 | 46193.5 | 39563 |
| Jet A Fuel | Credit Card | 16973.1 | 13661 | 3405 | 12014 | 8883 | 7824 | 5687 |
| | TOTAL Jet A | 57372.1 | 58924 | 23529 | 44282 | 38828.62 | 55166.5 | 45453 |



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: September 11, 2024

Author: Jonathan P. LaBonte, Airport Director

Subject: Chickadee Aviation Lease and Operating Rights Agreement (Terminal Building)

Information: Given their continued growth since relocating from PWM at the start of 2024, Chickadee approached the Airport about the potential to relocate from Hangar #9 (east ramp) to the Terminal. At Hangar #9, they subleased space from Sunbird Aviation Maintenance.

To meet the minimum standards, Chickadee would need to lease 725 square feet from the Airport in addition to at least two tie-downs. Based on a review of market conditions, it was concluded that \$10/per square foot per year in a triple net lease would be fair market and was acceptable to Chickadee Aviation. Chickadee will also have five dedicated tie-down locations.

In addition, to provide separation of their space in the former restaurant seating area, partitions were purchased, and the Airport will be reimbursed for those. The RedBird simulator will be relocated in early October to the former operations office off the lobby and will remain managed by Chickadee in their lease.

The Airport continues to explore potential partnerships to leverage our commercial kitchen, but full time prospects in this market remain a challenge and near term financial sustainability and aviation business growth is a priority.

Airport Financial Impacts: \$7,250 in net new rental income and further reduction in utilities liability (water/sewer, electric, gas)

Recommended Action: Authorize the execution of a Lease and Operating Rights Agreement with Chickadee Aviation

Previous Meetings and History:

Attachments:

Lease and Operating Rights Agreement for Chickadee Aviation

**LEASE AND OPERATING RIGHTS AGREEMENT
BETWEEN
AUBURN – LEWISTON AIRPORT
AND
CHICKADEE AVIATION**

THIS LEASE AND OPERATING RIGHTS AGREEMENT, (hereinafter "Lease" or "Agreement") made and entered into this 1st day of September 2024 by and between the Auburn – Lewiston Airport, Maine, a quasi-governmental body and non-profit corporation existing under the laws of the State of Maine, with offices at the 80 Airport Drive, Auburn, Maine 04210 at the Auburn – Lewiston Municipal Airport (hereinafter called "Lessor" or "Airport") and Chickadee Aviation, a limited liability company in the State of Maine with a regular place of business at 62 Portland Road, Suite 25A Kennebunk, Maine 04043 (hereinafter called "Lessee" or "Operator").

WITNESSETH

WHEREAS, Lessor operates, for the use and benefit of the public, the AUBURN – LEWISTON MUNICIPAL AIRPORT (KLEW) and, through its board of directors, has leasing authority for the Airport; and

WHEREAS, Fixed Base Operator (hereinafter "FBO") services and the leasing of facilities at the Airport are essential to users of the Airport, to the continued viability of the Airport as a public service facility, and to the economic well-being and convenience of the citizens and residents of the area served by the Airport; and

WHEREAS, Lessor, in recognition of the foregoing, desires to make certain facilities and FBO services available at the Airport; and

WHEREAS, Lessee is qualified, ready and able to perform or see to the performance of said services, and to furnish or see to the furnishing of facilities for use in connection therewith;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties hereto covenant and agree for themselves, their successors, legal representatives and assignees as follows:

ARTICLE I. LEASED PREMISES

A. Lessor hereby leases to Lessee, for the period and subject to the terms and conditions hereinafter stated, a portion of the Airport Terminal Building measuring approximately 725 square feet as shown and more particularly described on Exhibit "A", attached hereto and hereby made a part hereof, in addition to five (5) tie-down spaces.

ARTICLE II. TERM OF LEASE

- A. Lessee shall have and hold that portion of the Airport Terminal Building for a term of two (2) years beginning on the 1st day of September 2024 and ending on the 31st day of August 2026.
- B. In the event Lessee shall continue to occupy the Leased Premises beyond the expiration of the Term or earlier termination of this Agreement or any extension thereof without Lessor's prior

written approval, such holding over shall not constitute a renewal or extension of this Agreement, but shall create a tenancy from month to month which may be terminated at any time by Lessor or Lessee by giving thirty (30) days advanced written notice to the other party. Such tenancy shall otherwise be subject to the terms and conditions of this Agreement, except for Base Rent, which shall be increased to 110% of the then current Base Rent for the period just preceding such expiration or termination. Acceptance of said rent shall not constitute a waiver by Lessor of any re-entry or other rights of Lessor provided for under this Agreement or by law. At the expiration of the thirty (30) days' notice period for termination of such holdover tenancy, Lessee shall have vacated the Leased Premises. In addition, Lessee shall be liable for all damages, direct and consequential, incurred by Lessor as a result of such holdover. This provision shall not be interpreted as consent or permission by the Lessor for Lessee to holdover at the termination of this Agreement and terms of this holdover provision shall not preclude Lessor from recovering any other damages which it incurs as a result of Lessee's failure to vacate the Premises at the termination of this Agreement.

ARTICLE III. OPERATING RIGHTS GRANTED

- A. Lessor hereby grants to Lessee, for the period and subject to the terms and conditions hereinafter stated, the right to operate and conduct, on or from the premises leased under this Agreement, a business for the purpose of providing FBO services as found in the Airport's Minimum Standards:
- | | | |
|--------------|-----|-----------------|
| FBO Category | II. | Flight Training |
|--------------|-----|-----------------|
- B. It is mutually agreed and understood that the operating rights granted by Lessor to Lessee under this Agreement are not exclusive rights within the meaning of Sec. 308 (a) of the Federal Aviation Act of 1958. Lessor specifically reserves the right to grant the same or similar rights to other persons, firms or legal entities, but Lessor hereby covenants that it will not so grant such rights on terms or conditions more favorable in any respect than those granted to or required of Lessee under the terms of this Lease.
- C. Any other uses of the Leased Premises shall only be permitted with the written consent of the Airport, which consent shall not be unreasonably withheld, conditioned, or delayed provided the use does not conflict with the Airport's operations, and does not violate FAA Grant Assurances, the Minimum Standards of the Auburn – Lewiston Municipal Airport (the "Minimum Standards") then in effect relating to the use of the Airport, or any other applicable laws. In the event any applicable laws, rules, regulations or the Minimum Standards clearly conflict with the express terms of this Agreement, the terms of laws, rules, regulations and Minimum Standards shall be controlling, but only to the extent necessary to give effect to the particular provision in conflict. Anything to the contrary herein notwithstanding, Lessee shall be obligated to comply with any changes when such compliance is required by federal or local law, regulation or Minimum Standard.
- D. Lessor hereby grants to Operator, for the period and subject to the terms and conditions hereinafter stated, the right to lease or sublease and occupy an aircraft storage hangar for the purposes of operating a commercial aeronautical business. Operator may store items other

than aircraft in the hangar but said additional storage shall only be incidental to the storage of aircraft.

1. If the Operator enters into a sublease with another Airport tenant, a copy of the signed agreement must be provided to the Airport Director or Board's designee within 10 days of the Agreement's effective date. Any and all amendments to the sublease agreement must also be provided in writing to the Airport Director or Board's designee within 10 days its effective date.
- E.** The right to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of Operator's aircraft from any persons, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from Lessor or authorized representative to operate within the Airport and shall be in compliance with the "Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities" as amended from time to time for the Auburn – Lewiston Municipal Airport, hereinafter referred to as "Minimum Standards" and made part hereof by reference.
- F.** The right to joint use of the Airport with others of roads, driveways, aircraft aprons, runways, taxiways and other airport facilities to the extent reasonably required or necessary for Operator in accordance with this Agreement.

ARTICLE IV. TERM OF OPERATING RIGHTS

- A.** Lessee shall have the right to provide the FBO services for category II. Flight Training as specified in ARTICLE III. for the term of this agreement as specified in ARTICLE II.

ARTICLE V. RENTS AND PAYMENTS

- A. LEASE PAYMENTS.** For the initial term of this Agreement, Lessee agrees to pay to Lessor, as rental for the use of a portion of the Airport Terminal Building, a Base Rent of \$605.00 per month. In addition to the Base Rent, Lessee agrees to pay an additional \$100.00 per month in the first year for the cost of temporary partition walls purchased by the Lessor to delineate the leased space. Rent payments are due on or before the first day of each month throughout the term of this agreement.
- B. TAXES, UTILITIES AND MAINTENANCE**
- a. Lessee shall pay any and all taxes assessed on its personal property located on the Leased Premises.
 - b. Lessee shall a prorated portion of all utilities, based on its occupied square footage, including but not limited to the metered rate for water, electric, heat and sewer, and rubbish service bills consumed directly on the Leased Premises, and shall pay for all other utilities, including but not limited to phone, cable, and internet, consumed directly on the Leased Premises.
 - c. Unless otherwise specified herein, the Airport shall, at its expense, be responsible for all capital repairs, replacements and improvements to the Leased Premises. "Capital

Repairs, Replacements and Improvements” shall collectively be defined as any repair, replacement or improvement to the Building that substantially prolongs its life, and shall include, but not be limited to, the following: improvements such as installation, repair or replacement of doors, windows, roofs, air conditioning, heating, or ventilation; building additions and major alterations; installation repair or replacement of water, sewer, gas and electric lines; installation, repair or replacement of lighting fixtures and walkways; construction of parking lots and sidewalks; and installation, repair or replacement of the exterior surfaces of the Leased Premises. Capital Repairs, Replacements and Improvements, shall not include any interior painting, wallpapering, caulking, repairing of drywall, routine maintenance of plumbing fixtures, replacement of light bulbs, or any other routine maintenance or operational work performed to return the Leased Premises to its former condition without extending its useful life (all improvements not classified as Capital Repairs, Replacements and Improvements, herein shall be deemed “General Maintenance”).

- i. Lessee shall, at its expense, be responsible for all other General Maintenance of the Leased Premises, and shall keep the Leased Premises in good condition and repair suitable for the primary use of the Leased Premises. Notwithstanding this section, however, any damage to the Leased Premises resulting from the negligence, neglect or misuse by Lessee, its employees, agents or representatives shall be repaired by and /or at the expense of Lessee.

C. COMMERCIAL OPERATING FEE. For the right and privilege of utilizing the Airport for commercial purposes and in acknowledgement of the administrative, operational and maintenance impact of the FBO activity, Operator hereby agrees to pay the following sum to Lessor:

- a. Operating Fee. Operator shall pay to Lessor an Operating Fee, which is \$50 per month.
- b. Red Bird Simulator Fee. Lessee agrees to pay an additional \$400.00 per month in the first year for the cost of relocating the Red Bird Simulator to the lease premises. For the right and privilege to utilize the Airport’s Red Bird flight simulator, the Operator shall pay to the Airport \$20 per hour Hobbs as measured on the simulator and documented on the first day of each month by the Airport. The Operator agrees to work in good faith with the Airport to provide scheduled public access to the simulator for pilots and students not affiliated with the Operator.

D. INTEREST AND FEES. Operator further agrees to pay Lessor an interest charge of 1.5% per month (18% annual percentage rate) or a minimum of \$35.00 per month on all rents and payments due to Lessor hereunder for each month or fraction of a month that such rents or payments remain unpaid beyond thirty days after the date on which they are due as specified hereinabove. Operator further agrees to pay a \$25.00 fee for any returned check. Said interest charges, late fees or returned check fees shall be included as service charges and be deemed additional rent required by this Agreement.

ARTICLE VI. INSURANCE REQUIRED

- A. Lessee shall indemnify, defend, and hold harmless the Lessor, its officers, agents and employees from and against any and all claims, demands, suits, judgments, costs and expenses, including reasonable attorneys' fees, arising out of the conduct or negligence of the Lessee, its manager, employees, agents, invitees or licensees. This agreement to indemnify shall apply to any claim asserted by reason of death or injury to persons, or loss or damage to property, arising out of, related to, or resulting from operations hereunder of Lessee or its officers, agents, employees, tenants, subtenants, invitees, licensees or guests or of anything done by Lessee, or its officers, agents, employees, tenants, subtenants, invitees, licensees or guests hereunder.
- B. Lessee shall obtain and maintain continuously in effect at all times during the term of this Agreement at Lessee's sole expense, general liability insurance of the types and in the amounts specified by the Minimum Standards as duly amended from time to time for an FBO operating and conducting business as specified in ARTICLE III. with an insurance company authorized to do business in Maine. It is understood that the required amounts may be amended from time to time by Lessor in connection with changes to the Minimum Standards applicable to all Lessees at the Airport but at no time significantly in excess of accepted industry standards. Lessor shall be named as an additional insured on all insurance coverages required by this Section. Lessee shall furnish to Lessor Certificates of Insurance evidencing that the required insurance coverages are in effect upon the execution of this Agreement, and shall provide any new or renewal Certificates to Lessor within ten (10) days of request. Said Certificates shall provide that the Lessor be given not less than thirty (30) days notice, in writing, prior to modification, cancellation, or termination of any said coverages.
- C. Lessee hereby assumes full responsibility for the character, acts, and conduct of all its agents, employees, officers, representatives, contractors, invitees, or any person admitted to the Premises by or with the actual or constructive consent of Lessee and acting for or on behalf of Lessee. If the Premises, or any part thereof, or any other Airport facilities, during the Term of this Agreement or any extension thereof, shall be damaged by the act, default, or negligence of Lessee, or of Lessee Members, agents, employees, officers, representatives, or contractors, Lessee shall at its sole cost and expense restore said Premises to the condition existing prior to such damage.
1. **INSURANCE PROCEEDS.** Upon receipt by Lessee of the proceeds of any insurance policy or policies, the proceeds shall be deposited in an escrow account approved by Lessor so as to be available to pay for the cost of such repair, replacement, or rebuilding. Such proceeds shall be disbursed during construction to pay the costs of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Lessee shall pay any additional sums required into said escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be remitted to Lessee.
 2. **RIGHT TO CANCEL.** Should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty, Lessee, may, subject to approval by Lessor at its sole discretion, be relieved of the obligation to repair, replace, or rebuild the same and have the right to cancel this Agreement. In such event, Lessee shall provide Lessor written notice within thirty (30) days after the date of any such damage or destruction and, upon approval by Lessor, this Agreement shall terminate, and the

insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Lessor.

3. All fees payable under this Agreement shall be prorated and paid to the date of such termination. The receipt and acceptance of insurance proceeds by Lessor under Article 15.4 will relieve Lessee from any responsibility to restore the Premises to their former condition, and Lessee further waives any claim against Lessor for damages or compensation, should this Agreement be so terminated.

ARTICLE VII. LEASED PREMISES RIGHTS GRANTED

During the term hereof Lessee shall have, and Lessor hereby gives and grants to Lessee, the following rights for and incidental to the use of the premises leased to Lessee hereunder. The rights granted under this ARTICLE are in addition to the specific FBO operating rights granted hereinbefore under ARTICLE III.

- A. The right, at Lessee's sole expense, to construct upon the premises leased to Lessee hereunder, such structures and improvements as may be required in connection with Lessee's business operations at the Airport, and to install therein and thereon such fixtures, equipment and facilities as Lessee may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, or facility shall be constructed or installed by Lessee without the prior written consent of the Lessor, which will not be unreasonably withheld. Lessee covenants and agrees that prior to the construction or installation of such structure, improvement, fixture, or facility, Lessee will submit detailed plans and other appropriate information showing the location, design and character thereof to Lessor for approval, which approval Lessor agrees shall not be unreasonably withheld or delayed.
 - a. All leasehold improvements and fixtures installed by Lessee within the Leased Premises shall be, and remain, the property of the Airport and shall remain in place upon termination or expiration of this Agreement. In the event a leasehold improvement or fixture is installed by Lessee and Lessee wishes to remove that item upon termination of this Agreement, Lessee shall, at its sole expense, install a replacement improvement or fixture of similar size and nature, approved by the Airport, to replace the removed item. Such installation and replacement shall include any additional cosmetic work needed to restore the Leased Premises to a finished condition that effectively blends the new item into the removed item's location and surrounding infrastructure.
 - b. At the expiration of this Agreement, any operating equipment or furnishings purchased by the Lessee and used in the operation of the business on the Leased Premises and not deemed as fixtures to the building shall remain the property of the Lessee. All such items will be removed from the Premises within twenty-one (21) calendar days upon termination of the Agreement. If items are not removed in a timely manner upon the termination of this Agreement, the items may be removed and stored at the Lessee's expense.
- B. The right, at Lessee's sole expense, to install and thereafter to operate and maintain on the premises leased to Lessee hereunder, two illuminated or non-illuminated signs advertising Lessee's business on the Airport, provided, however, that no such sign shall be installed without the prior

written consent of the Lessor, which consent will not be unreasonably withheld. Lessee covenants and agrees that prior to the installation of such signs, Lessee will submit plans and other appropriate information showing the location, design and character thereof to Lessor for approval, which approval Lessor agrees shall not be unreasonably withheld or delayed. Signage erected by the Lessee must comply with City sign ordinances.

ARTICLE VIII. LESSOR AND LESSEE OBLIGATED

During the term of this Agreement, Lessor and Lessee shall be bound by the terms, conditions and obligations set forth herein, and, Lessor and Lessee shall be bound by the terms, conditions and obligations contained in the Minimum Standards as is now in existence or as may hereafter be modified or amended, which standards, by their reference herein, become a part of this Agreement. Each of Lessor and Lessee hereby covenant and agree that they will fully meet and comply with their respective terms, conditions and or obligations, including the following:

- A. Lessee shall, promptly when due, pay and meet all expenses in connection with the use of the leased Premises and the exercise of the rights and privileges herein granted, including without limitation: (1) all charges for utility expenses, including but not limited to electricity, water and sewer, heat, internet and telephone expenses, and (2) all permit fees, license fees and assessments lawfully levied or assessed by the state or local government or any other taxing body upon the leased Premises, this Lease (or leasehold interest), or structures and improvements and/or on personal property or equipment of Lessee at any time situated at the Airport. Lessee shall at its sole cost secure all permits and licenses required by law.
- B. Lessee shall provide an annual report to the Airport for the sole purpose of determining local economic impact. The report will contain at a minimum the total number of employees and the total gross revenue for the preceding year. Additional information can be shared in the report if desired. The annual report is due in writing by April 1st each year.
- C. Operator agrees that it shall make available at the Airport those services set forth hereinbefore in ARTICLE I. throughout the full term of this Agreement as set forth in ARTICLE II.
 - a. The Operator shall acquire, sublease or construct a building and/ or tie down space to provide enough square footage for the reasonable storage of two (2) aircraft and at least an additional 725 square feet for office space, a classroom/ briefing room, and rest room, which shall be properly heated, cooled, and lighted. The Operator shall also provide telephone facilities, a computer with high-speed internet access for students and pilots, and complimentary wireless high-speed internet access for students. The leasehold must have airside and landside access for customers.
 - i. The Airport may lease space in the Terminal Building to satisfy the office space requirement and applicable terms will be included in a separate Agreement.
 - ii. Alternately, the Operator may elect to enter into a written agreement with an existing FBO that meets the requirements of this FBO category. Such an agreement between an existing FBO and new Category II. FBO operator shall be subject to the written approval of the Airport Director and a copy of the final written agreement shall be provided to the Airport Director.
 - b. Operator agrees to provide flight services for customers seeking the services. The Operator must escort dual instruction customers from the leased area to the aircraft to

- go flying. The Operator must reach an agreement with the FBO on any services the applicant is unable to provide and that the FBO is willing to provide to the Operator's customers. These facilities and services include but are not limited to such things as bathrooms, greeting/waiting area, passenger screenings, airport access, and/or preflight briefings. If the Operator and FBO execute a written agreement, the Operator will provide a copy to the Airport.
- c. Lessor agrees that Operator's hours of operation shall be determined by the Operator, based on the nature of the services offered by the
 - i. Operator. Operator shall offer services year-round.
 - ii. The Operator shall arrange for an employee to be in attendance in the office at all times during the required operating hours.
 - d. The Operator shall have in his/ her employ, and on duty during the appropriate business hours, trained personnel in such numbers as are required to meet the minimum standards set forth in this category of services in an efficient manner, but never less than two (2) persons, each possessing a current, effective FAA commercial pilot license with an appropriate instructor rating for the types of training offered as well as a current medical certificate.
 - e. The Operator shall have available for in-flight training use, either owned or under written lease to the Operator, not less than two (2) properly certified, airworthy aircraft equipped for pilots with student and private FAA certificates. Offering instrument and commercial ratings is desired, but not required. If the aircraft required under this section are no longer airworthy, the FBO must notify the Airport Director of the aircraft's status in a timely manner in writing along with a timeline for returning the aircraft to an airworthy condition or acquiring replacement airworthy aircraft.
 - f. For a flight training FBO offering instrument ratings, the Operator shall have available for use an FAA approved flight training device (FTD).
 - i. The Operator may elect to utilize the Airport-owned Redbird simulator for its business at no additional cost. All revenues generated from use of the simulator are subject to an additional per hour fee.
 - ii. All costs, updates and routine maintenance associated with the Airport-owned simulator are the responsibility of the Operator during the term of the Agreement.
 - g. The Operator must offer for sale current aeronautical publications as appropriate and necessary for student, private, instrument and commercial pilots.
 - h. The Operator shall provide adequate mock-ups, pictures, slides, programs or other visual aids necessary to provide proper ground school instruction.
- D.** Lessee shall immediately clear all drainage and supply stoppages and partial blocks in, and in conjunction with, any plumbing fixtures, equipment and systems that are part of or are located in or on the Leased Premises and shall immediately contact the Airport for any stoppages that cannot be cleared with a reasonable effort.
- E.** Lessee will at all times keep the Leased Premises neat, clean, orderly and sanitary. Lessee is responsible for the stocking and restocking of and the janitorial services related to the bathroom facilities in the former restaurant area.

F. AIRPORT SECURITY

Lessee shall be responsible for the locking and securing of all gates adjacent to the buildings in which the Premises are located at all times with no exceptions. Any fines assessed against Airport or Lessor by the FAA, TSA, or other agency as a result of Lessee's failure to comply with the provisions of this paragraph or other intentional or negligent acts or omissions of Lessee's employees or agents will be paid promptly to Airport by Lessee within thirty days (30) days of the date of Airport's receipt of invoice from the FAA, TSA, or other agency.

G. Lessor conveys and agrees that at all times it will operate and maintain the Airport facilities, as defined hereinabove, as a public airport consistent with and pursuant to the Lessor's Assurances given by Lessor to the United States under the Federal Airport Act.

H. Lessor shall have no responsibility or liability to furnish any services to Lessee other than those specified in this Agreement, but Lessee may negotiate with Lessor for any additional services it may request and shall pay for such additional services the consideration so negotiated.

I. If Lessee is not reasonably performing under the terms and conditions of this Agreement in a satisfactory manner, the Airport Board of Directors, or its Chair or representative, shall notify the Lessee in writing of the items constituting unsatisfactory conditions and/or performance. If Lessee so requests, the Airport representative, shall confer with Lessee in an effort to eliminate listed items constituting unsatisfactory conditions and/or performance. If Lessee fails to correct, or to begin correction on a mutually agreeable schedule, the listed items within ten (10) days after receipt of such written notification (or within ten (10) days after said conference, if requested) the Board of Directors may declare this lease suspended or terminated, subject to the right of a permitted mortgagee and the right of Lessee to enforce its rights at law.

ARTICLE IX. GENERAL TERMS AND CONDITIONS

A. The Board of Directors will designate such individual who will occupy the position of Airport Manager, who shall be responsible for the operation of the Airport, as directed by said Board, and Operator shall comply with such Airport Manager's reasonable requirements. In the absence of an Airport Manager, the Chair of the Board of Directors shall be the Airport's representative with authority.

B. Lessee agrees that it will not execute any mortgage or create any encumbrance upon any buildings or improvements constructed or installed on the leased premises, or transfer title thereof without previously obtaining the written consent of Lessor.

a. Provided, however, Lessor agrees to give consent to leasehold assignments as may be required by a construction or permanent lender in order that mortgages or other liens of such lenders be superior to the Lessor's interest in said buildings or improvements. Lessor's consent to leasehold assignment shall be limited to the Leasehold Assignment shown in Exhibit "A" attached hereto. Any deviation from the Leasehold Assignment shown in Exhibit "A" requires the prior written approval of Lessor.

- b. Provided further that mortgages given by the Lessee shall be subject to the following limitations:
- i. mortgages given by Lessee for the construction or completion of buildings of improvements built or installed in the leased premises shall be limited to the amount required for such construction or completion,
 - ii. mortgages given to refinance existing debts shall be limited to a sum equal to the face amount of the original debt plus accrued interest,
 - iii. mortgages given to finance the purchase and sale of the Lessee's business shall be limited to the sale price.
- C. Lessee shall not assign this Agreement or sublet the whole or any part of the demised premises without previously obtaining the written consent of Lessor. Should Lessor determine that such assignment or subletting is to qualified and responsible parties, such assignment shall not be unreasonably withheld. The consent of Lessor shall be on such reasonable conditions as Lessor shall impose. In the event of any default on the part of the Lessee or any permitted Assignee as to the payment of any rents or other payment, or any other reinstatable default hereunder, Lessor shall notify any permitted mortgagee or the Lessee, as the case may be, of such default and allow the permitted mortgagee or the Lessee, as the case may be, the same grace period permitted to the Lessee for the making of payment of said rents or payments and/or the time to correct such default, and thereby reinstate the position of the Lessee or permitted Assignee with respect to this Lease. It is further provided that Lessee shall not permit any transfer by operation of law of Lessee's interest created hereunder, other than by merger, or consolidation.
- D. Lessor shall, during the time of war or national emergency, have the right to lease the landing area of the Airport, or any part thereof, to the United States for use by its Armed Forces, and if any provisions of such lease are inconsistent with the provisions of this Agreement, Lessee may terminate this Agreement under the same terms and conditions as herein provided for termination at the expiration of the term of this Agreement.
- E. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. In the event that Lessor shall take any action under paragraph "E" of this Article and/or make any agreement under this paragraph voluntarily and not as a result of any federal, state, or other authority in effect forcing Lessor to so act or agree, the result of which so substantially affects the normal operations of Lessee at the Airport that it becomes economically or physically unfeasible or impractical for Lessee to continue its operations at the Airport, then Lessee shall be entitled to a pro rata reduction of rents to such an extent as will allow Lessee to continue its operations under economically and physically feasible circumstances. If such reduction shall not, however, be sufficient to allow Lessee to continue an economically and physically feasible operation, then Lessee shall have the right to terminate this Agreement without further liability and remove or sell its buildings, improvements, equipment and facilities in accordance with the terms of ARTICLE IX., paragraph "A", hereof, except that Lessor shall have, subject, however, to the rights of a permitted mortgagee, the option to purchase from Lessee said buildings, improvements, equipment and facilities at a price equal to the then fair value of the same,

determined by agreement of the Lessor and the Lessee. If the Lessor and the Lessee shall be unable to agree as to said fair value, then the same shall be determined by a single, independent appraiser acceptable to each of the Lessor and the Lessee, otherwise by three (3) independent appraisers, one to be chosen by the Lessor, one to be chosen by the Lessee and the third to be chosen by the two appraisers so chosen by the Lessor and the Lessee. In construing this paragraph, it is agreed by the parties that agreements made by Lessor and/or actions taken by Lessor are those which affect the physical operations of Lessee or the properties of Lessee.

- F.** The Airport Manager shall be kept informed, in writing, of the type, registration, aircraft owner's name, mailing and email addresses and phone number for all aircraft kept in the leased Premises for more than 30 calendar days per year.
- E.** Lessor, through its duly authorized agent, with prior notice, shall have at any reasonable time, the full and unrestricted right to enter the Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.
- F.** If Lessor or Lessee shall default in the performance or observance of any covenant, condition or other provision contained in this Lease to be performed or observed by a party, the other party may, at its option, without waiving claims for breach of agreement, and after such written notice as may be specifically required or provided for herein, cure such default for the account of the defaulting party, and the defaulting party shall reimburse the other for the amount paid therefore and any reasonable expense or contractual liability so incurred, with interest. Lessor may collect any such amount as additional rent, and Lessee may deduct any such amount from rental payments next thereafter accruing.
- G.** Lessor, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport, including the right to remove or relocate any structure on Airport, as it sees fit, and to take any action it considers necessary to protect the instrument approaches of the airport against obstructions, together with the right to prevent Lessee from erecting or permitting to be erected, any buildings or other structure on the Airport which, in the opinion of Lessor would limit the usefulness of the Airport or constitute a hazard to aircraft.

 - a. Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such inconvenience or interruption, and for and in further consideration of the premises, Lessee waives any right to claim damages or other consideration therefore, provided; however, that this waiver shall not extend to, or be construed to be a waiver of any claim for physical damage to property resulting from Lessor's gross negligence or willful misconduct.
- H.** If Lessee is a corporation or limited liability company, the undersigned officer of Lessee hereby warrants and certifies to Lessor that Lessee is a corporation or limited liability company (as applicable) in good standing and is authorized to do business in the State of Maine. The undersigned officer of Lessee hereby further warrants and certifies to Lessor that he or she, as such officer, is authorized and empowered to bind Lessee to the terms of this Agreement by his or her signature thereto. If there shall occur any change in the ownership of and/or power

to vote the majority of the outstanding capital stock or membership interest (as applicable) of Lessee, whether such change or ownership is by sale, assignment, bequest, inheritance, operation of law or otherwise, without the prior written consent of Lessor, then Lessor shall have the option to terminate this Agreement upon thirty (30) days' written notice to Lessee, furthermore, Lessee shall have an affirmative obligation to notify immediately Lessor of any such change.

ARTICLE X. EXPIRATION OR TERMINATION

- A.** This Agreement shall automatically terminate at the end of the Term. Due to the changing nature of aviation and the possibility of a need to utilize the Leased Premises for a different purpose, Lessor does not guarantee the extension of this Agreement beyond the Initial Term and Extension Terms provided herein.
- B.** Lessor shall have the right, upon thirty (30) days prior written notice to Lessee, to terminate this Agreement in its entirety, upon or after the happening of one or more of the following events, if said event or events shall then be continuing:
- a. If Lessee shall make a general assignment for the benefit of creditors; or
 - b. If Lessee shall file a voluntary petition in bankruptcy or a petition seeking its reorganization or the readjustment of its indebtedness under the Federal Bankruptcy laws or under any similar state laws; or
 - c. If an involuntary petition in bankruptcy shall be filed against Lessee and Lessee is thereafter adjudicated a bankrupt thereunder; or
 - d. If Lessee shall consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of the property of Lessee; or
 - e. If Lessee shall voluntarily abandon and discontinue its provision of FBO services at the Airport as required hereunder for a period of thirty (30) consecutive days, or if Lessee shall abandon its leased premises for a period of thirty (30) days; or
 - f. If Lessee shall fail to pay the rental charges or other money payments required by this instrument and such failure shall not be remedied within thirty (30) days following receipt by Lessee of written demand from Lessor to do so; or
 - g. If Lessee shall default in fulfilling any of the terms, covenants or conditions to be fulfilled by it hereunder and shall fail to remedy said default within thirty (30) days following receipt by Lessee of written demand from Lessor to do so.
 - h. By mutual agreement of both Lessor and Lessee to be obtained in writing and with a minimum of 30 day notice.
- C.** Lessee shall have the right, upon thirty (30) days written notice to Lessor, to terminate or suspend this Agreement upon the happening of one or more of the following events, if said event or events shall then be continuing:
- a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the demised premises, preventing or restraining the use of the Airport for normal airport purposes or the use of any part thereof which may be used by Lessee and which is necessary for

- Lessee's operations on the Airport, which remains in force for a period of at least ninety(90) consecutive days; or
- b. If Lessor shall default in fulfilling any of the terms, covenants or conditions to be fulfilled by it under this lease and shall fail to cure said default within thirty (30) days following receipt of written demand from Lessee to do so; or
 - c. If all or a material part of the Airport or Airport facilities shall be destroyed by fire, explosion, earthquake, other casualty, or acts of God or the public enemy; or
 - d. If the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to interfere materially with Lessee's operations, for a period of thirty (30) consecutive days or more.
- D. TERMINATION UPON DESTRUCTION OR OTHER CASUALTY.** Except as otherwise provided in this Agreement, in the event that the Premises or any part thereof shall be destroyed or damaged in whole or part by fire, water, or any other cause, or if any other casualty or unforeseen occurrence shall likewise render the fulfillment of this Agreement by Lessor impossible, then thereupon this Agreement shall terminate and Lessee shall pay fees for said Premises only up to the time of such termination and Lessee shall hereby waive any claim for damages or compensation should this Agreement be so terminated.

ARTICLE XI. NOTICES OR DEMANDS

All notices or demands provided for or which may be given by either party to the other under the terms of this Agreement shall be in writing, signed by the party giving notice or making the demand, and shall be deemed validly served or delivered upon physical delivery or upon deposit in the United States Postal Service mail, certified, return receipt requested, postage and certification fees prepaid, addressed as follows:

To Lessor: Auburn-Lewiston Municipal Airport
Attn: Airport Manager
80 Airport Drive
Auburn, ME 04210

To Lessee: Chickadee Aviation
c/o Ronald Wood
PO Box 43
Rangeley, Maine 04970

or to such other address as the addressee may designate by written notice to the other party delivered in accordance with the provisions of this ARTICLE.

ARTICLE XII. WAIVERS NOT CONTINUING, FORCE MAJEURE

Any waiver of any breach of covenants herein contained to be kept and performed by Lessee and Lessor shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent Lessee or Lessor from declaring a forfeiture for any succeeding breach either of the same or of a different condition or covenant.

In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, war, or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

ARTICLE XIII. DISCRIMINATION PROHIBITED

Lessee hereby covenants and agrees that in the use, operation and occupancy of the leased premises, and in the provision of its services in connection therewith, it will not on the grounds of race, color, national origin, sex or age discriminate or permit discrimination against any person or group of persons in any manner. Lessee further covenants and agrees that it will comply fully with the provisions of Exhibit A attached and hereby made a part hereof by reference.

ARTICLE XIV. LEGAL TERMS

- A. This Agreement shall be interpreted under the laws of the State of Maine, except any choice of law provisions that purport to apply the laws of any other state or nation. Exclusive venue for any dispute shall be the Maine Superior Court in Androscoggin County.
- B. Each party shall, and does hereby, waive trial by jury in any action, proceeding or claim brought by Lessor against Lessee or by Lessee against Lessor on any matters arising out of or in any way connected with this Agreement, the relationship of the Lessor and Lessee, Lessee's use or occupancy of the Premises or Lessee's right thereto.
- C. In any litigation between the parties regarding any rights or obligations contained in this Agreement, the losing party shall pay to the prevailing party all reasonable expenses (including arbitration expenses) and court costs, including expert witness and attorneys' fees, incurred by the prevailing party. A party shall be considered the prevailing party if:
 - a. It initiated the litigation and substantially obtains the relief it sought, either through a judgment, award, or the losing party's voluntary action before the trial or judgment;
 - b. The other party withdraws its action without substantially obtaining the relief it sought;
 - c. It did not initiate the litigation and judgment is entered for either party, but without substantially granting the relief sought.
- D. All negotiations, considerations, representations and understandings between Lessor and Lessee are incorporated herein and no prior agreements or understandings, written or oral, shall be effective for any purpose. No provision of this Agreement may be modified or altered except by a signed agreement in writing between Lessor and Lessee, and no act or omission of any employee or agent of Lessor shall alter, change, or modify any of the provisions hereof.
- E. The foregoing, together with the Exhibits to this Agreement and any other documents incorporated into the Agreement by reference, constitute the entire agreement between the

Parties and supersedes all other agreements or representations of any nature related to the subject matter hereof, whether oral or written, made by or between Lessor and Lessee, except those that are expressly acknowledged in this Agreement. Lessor and Lessee understand and agree that they are relying only upon the written representations, covenants and promises contained in this Agreement and that they have consulted legal counsel as to the nature and extent of their obligations contained herein.

ARTICLE XV. MISCELLANEOUS

- A. Unless repugnant to the context, “Lessor” and “Lessee” mean the person or persons, natural or corporate, named above as Lessor and Lessee respectively, and their authorized agents, officers, and employees, and their respective heirs, executors, administrators, successor and assign.
- B. This Lease shall not be recorded. Lessee and Lessor mutually agree, at the request of either, to execute a notice of lease for recording purposes. This lease shall not be recorded. Upon commencement of any term, a supplementary agreement will be prepared and executed specifying the dates for the commencement and ending of the original term.
- C. If any provision of this Agreement or its application to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- D. The submission of this Agreement or a summary of some or all of its provisions for examination by Lessee does not constitute a reservation of or option for the premises or an offer to lease said premises, and this document shall become effective and binding only upon the execution and delivery hereof by both the Lessor and Lessee. Employees or agents of Lessor have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith.
- E. All negotiations, considerations, representations and understandings between Lessor and Lessee are incorporated herein and no prior agreements or understandings, written or oral, shall be effective for any purpose. No provision of this Agreement may be modified or altered except by a signed agreement in writing between Lessor and Lessee, and no act or omission of any employee or agent of Lessor shall alter, change, or modify any of the provisions hereof.

[This page ends here. Signatures on following page.]

LEASE AND OPERATING RIGHTS AGREEMENT
TERMINAL BUILDING CHICKADEE AVIATION

IN WITNESS WHEREOF, the parties have hereunto set their hands this _____ day of _____, 20____ to be effective to the day and date first above written.

LESSOR:
AUBURN – LEWISTON AIRPORT

By:

Jonathan P. LaBonte, Airport
Director

Witness: _____

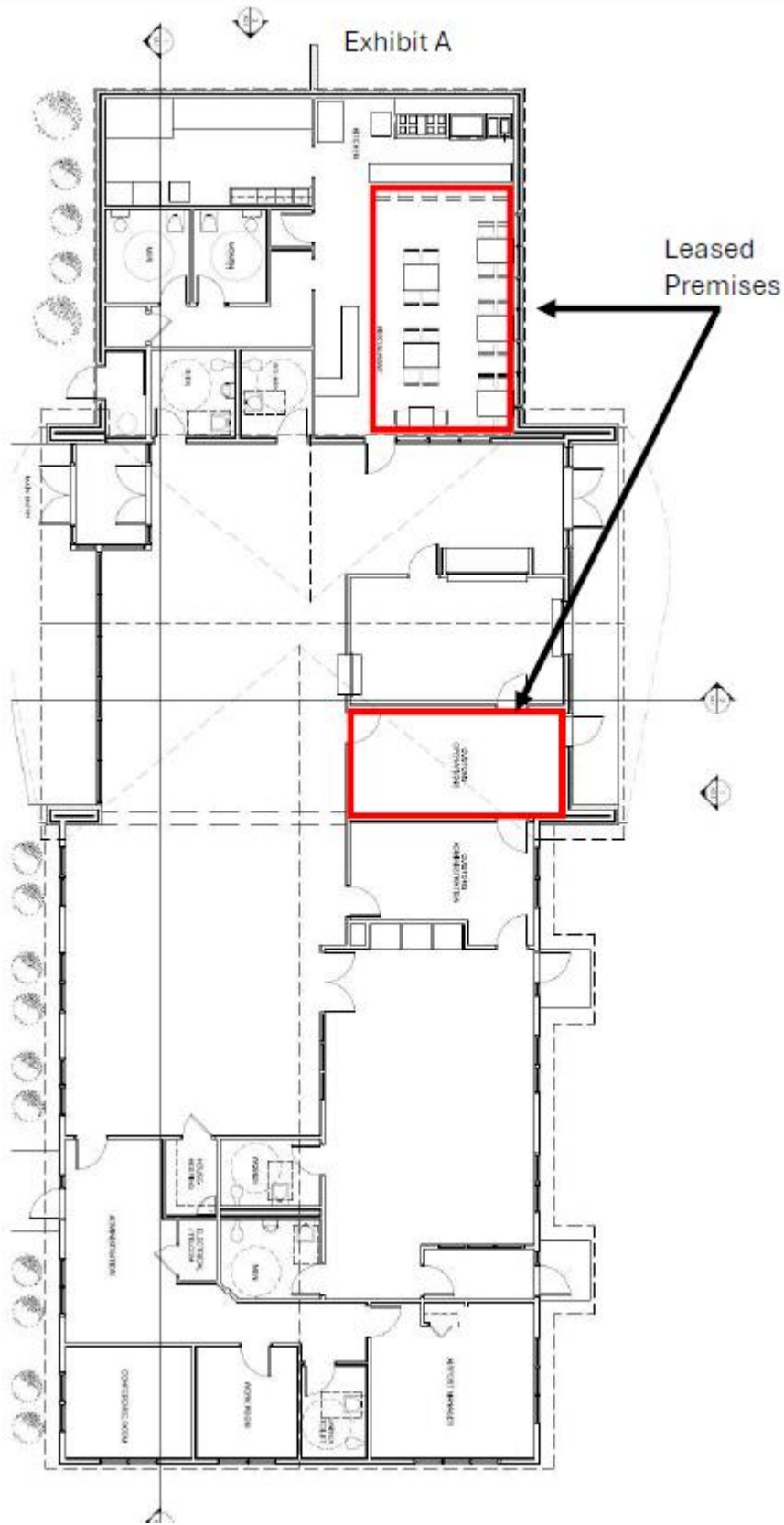
LESSEE:
CHICKADEE AVIATION

By:

Ron Wood, Owner

Witness: _____

LEASE AND OPERATING RIGHTS AGREEMENT
TERMINAL BUILDING CHICKADEE AVIATION





Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: September 11, 2024

Author: Jonathan P. LaBonte, Airport Director

Subject: Bel Air Hangar Condo Association First Amendment to Lease

Information: During the June 2022 Land Use Inspection by the FAA, the Bel Air Condo ground lease was reviewed, and a number of items were identified for resolution by the Airport. After discussions with the Bel Air Condo leadership, a proposal for a lease amendment to resolve FAA concerns was proposed and the FAA was amenable to that to close that component of the land use inspection out.

The draft amendment confirms Airport responsibility for pavement around the hangar, due to the need to traverse the apron to reach the fuel farm and maintenance building, confirms environmental responsibility for the term of the original lease (1999-2019) is the responsibility of condo unit owners, and clarifies the responsibilities of unit owners when they sublet their hangar for less than six months (sub-tenants must sign agreeing to follow airport rules and regulations).

Airport Financial Impacts: N/A

Recommended Action: Authorize the execution of a Lease Amendment with the Bel Air Hangar Condominium

Previous Meetings and History:

Attachments:

Lease Amendment with Bel Air Hangar Condominium

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (this “**Amendment**”) is entered into as of the ___ day of _____, 2024 (the “**Effective Date**”), by and between **AUBURN-LEWISTON MUNICIPAL AIRPORT**, a body politic and corporate existing under the laws of the State of Maine (“**Airport**”) and all of the record owners of the eleven (11) Hangar Units at the leasehold condominium known as **Bel Air Hangar Condominium** (the “**Condominium**”) (hereinafter, collectively called the “**Tenant**” or “Hangar Unit Owners” and each individually hereinafter referred to as a “Hangar Unit Owner”).

WITNESSETH:

WHEREAS, Airport and Tenant are parties to that certain Lease dated as of October 1, 2019 (the “**Existing Lease**”), relating to certain premises at the Auburn-Lewiston Municipal Airport located in Auburn, Maine. The Existing Lease, as amended by this Amendment, shall be referred to herein as the “**Lease**”;

WHEREAS, the Leased Premises consists of 16,440 square feet of space as more particularly described in Exhibit A of the Existing Lease; and

WHEREAS, the Initial Term of the Lease will expire on September 30, 2044; and

WHEREAS, the Lease may be renewed for an additional term of twenty-five (25) years ending September 30, 2069; and

WHEREAS, by the unanimous written consent of the Hangar Unit Owners, a copy of which is attached hereto as Exhibit A, the Hangar Unit Owners have authorized the Bel Air Hangar Condominium Association, a Maine nonprofit corporation (the “**Association**”), to enter into and execute this Amendment on their behalf; and

WHEREAS, the parties hereto desire to amend and modify the Existing Lease as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Airport and Tenant hereby agree as follows:

1. **Environmental Indemnity.** Article IV Part 14 of the Existing Lease entitled “Environmental Indemnity” is hereby deleted in its entirety and replaced with the following language:

“The Tenant will indemnify and hold the Airport harmless from any costs, expenses, damages or liabilities including, without limitation, attorneys' fees and court costs, that the Airport, its agents, successors or assigns, may incur or be put to remedy as a result of the presence of or claim asserting the presence of any hazardous substances placed on the

leased premises by the previous tenant, Bel Air Services Inc, or the Tenant, its employees, agents, invitees or Hangar Unit Owners during the term of this Lease.”

2. **Obligations of the Airport.** Article V Part 3 of the Existing Lease entitled “Paving and Maintaining Apron” is hereby deleted in its entirety and replaced with the following language:

“In order to provide for ongoing access to other facilities at the Auburn-Lewiston Municipal Airport beyond the Leased Premises, the Airport shall maintain a paved apron surrounding the hangar building and connecting it to the paved taxiway of the airport, to provide safe, serviceable, efficient access by aircraft stored in the hangar building to the airfield.”

3. **Exhibit B.** Exhibit B dated 1/30/2019 Rev. 1 as included in the Existing Lease is hereby amended to include the following language above the Aircraft Owner signature line:

“Aircraft Owner agrees to observe and abide by all rules, regulations, and procedures promulgated from time to time by the Airport concerning hangar activities, Airport security matters, tenant parking, and any other matters related to the operation of the airport and the hangar areas. These include, but are not limited to, the Auburn Lewiston Municipal Airport Rules and Regulations and the Minimum Standards for Commercial Activities and Use of Airport Property.”

4. **Miscellaneous.**

- (a) The paragraph headings throughout this instrument are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Amendment.
- (b) Except as herein modified or amended, the provisions, conditions and terms of the Existing Lease shall remain unchanged and in full force and effect.
- (c) In the case of any inconsistency between the provisions of the Existing Lease and this Amendment, the provisions of this Amendment shall govern and control.
- (d) This Amendment shall not be effective and binding unless and until fully executed and delivered by each of the parties hereto. All of the covenants contained in this Amendment, including, but not limited to, all covenants of the Lease as modified hereby, shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, and permitted successors and assigns.
- (e) The capitalized terms used in this Amendment shall have the same definitions as set forth in the Existing Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

- (f) Tenant acknowledges that the Airport is not in default under the Lease as of the date hereof, and that it is unaware of any condition or circumstance which, but for the passage of time or delivery of notice, or both, would constitute an event of default by the Airport under the Lease. Tenant has no claims, defenses or set-offs of any kind to the payment or performance of Tenant's obligations under the Lease. Nothing contained herein shall be deemed to waive any sums due from Tenant to the Airport, or any default or event which, which the passage of time or delivery of notice, or both, would constitute an event of default by Tenant under the Lease as of the date hereof.
- (g) Airport acknowledges that the Tenant is not in default under the Lease as of the date hereof, and that it is unaware of any condition or circumstances which, but for the passage of time or delivery of notice, or both, would constitute an event of default by the Tenant under the Lease.
- (h) This Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, which counterparts taken together shall constitute one and the same instrument. The parties hereby acknowledge and agree that electronic signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered. The Airport and Tenant (i) intend to be bound by the signatures (whether original or electronic) on any document sent by electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature.
- (i) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[This page ends here. Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

Witness:

**AUBURN-LEWISTON MUNICIPAL
AIRPORT**

By: _____

Name:

Its:

Hereunto duly Authorized

Witness:

Bel Air Hangar Condominium Association

By: _____

Name:

Its:

Hereunto duly authorized agent for the Hangar
Unit Owners

#8438132



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: September 11, 2024

Author: Jonathan P. LaBonte, Airport Director

Subject: East Ramp Hangars LLC Lease

Information: During the June 2022 Land Use Inspection by the FAA, the 1987 TIM Corp ground lease was reviewed, and a number of items were identified for resolution by the Airport. These included exclusive rights to develop airport property, a term outside of the allowed timeline of FAA, and others, due to the lease being the first private development at the Airport and lease expectations evolving significantly in that time.

In discussions with FAA and the current ownership group, TIM Corp, it appears that a new ownership entity is in a position to acquire and manage these t-hangars into the future, East Ramp Hangars LLC. Due to the size of these t-hangars, East Ramp Hangars LLC would also need to have an operating rights agreement with the Airport, above and beyond its ground lease. Per practice to date, I am recommending a \$50/month charge for an FBO/Aircraft Parking and Storage. The requirements under the minimum standards to provide for restroom facilities would be met in Hangar #9, by access to the Airport restroom there.

The East Ramp Hangars LLC would also be authorized to sublease space for Skyward Aviation to operate their FBO/Airframe & Powerplant (another issue to be resolved for FAA).

The Airport currently leases ground under hangars for \$0.48/square foot per year and would lease the land under the 17,260 total square feet of hangar at that rate, in addition to \$0.10/square foot for the pavement/apron around the hangars that are not part of the airport taxi-lane.

The Airport in the last fiscal year hired Allison Navia (Sanford Airport Manager) through her consulting business to create a new standard template ground lease that has been reviewed and approved by the FAA for use at Auburn-Lewiston.

Airport Financial Impacts: The current billed rate is \$122/month for the land under the hangars and would become approximately \$690 for the land under the hangars, in addition to the commercial activity fee.

Recommended Action: Authorize the execution of a new lease with East Ramp Hangars LLC

Previous Meetings and History:

Attachments:



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: September 11, 2024

Author: Jonathan P. LaBonte, Airport Director

Subject: Fielding Properties LLC Lease

Information: Fielding Properties LLC has formally applied for their ground lease for the pending construction of an 80' X 80' hangar with associated utilities. This would be a private hangar and would fall under the non-commercial land lease process of our Minimum Standards. Our new standard land lease template would be applied here with the current rate for land under hangars at the Airport is \$0.48/square foot and vacant land under lease at \$0.10/square foot. Those rates would be applied here once the site plan has been fully approved by the Auburn Planning Board and conditions of approval met.

The Board previously approved a joint development agreement to share in the costs of site planning on this project and will have three additional, pre-approved, pre-permitted sites to list as available for additional building development.

Construction on sitework could begin as soon as this fall, with building construction in 2025.

Airport Financial Impacts: At least \$3,000 annually in new rental income, increased fuel sales from additional based aircraft

Recommended Action: Authorize the execution of a new ground lease with Fielding Properties LLC

Previous Meetings and History:

Attachments:

Aeronautical Use Ground Lease Template



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: September 11, 2024

Author: Jonathan P. LaBonte, Airport Director

Subject: Fielding Properties LLC Lease

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Recommended Action: Authorize the execution of a new ground lease with Fielding Properties LLC

Previous Meetings and History:

Attachments:

Aeronautical Use Ground Lease Template

**LAND LEASE AGREEMENT
BETWEEN
AUBURN – LEWISTON AIRPORT
AND**

THIS LAND LEASE AGREEMENT, (hereinafter "Lease" or "Agreement") is made and entered into as of the [REDACTED] day of [REDACTED], 20[REDACTED] by and between the Auburn – Lewiston Airport, Maine, a quasi-governmental body and non-profit corporation existing under the laws of the State of Maine, with offices at the 80 Airport Drive, Auburn, Maine 04210 at the Auburn – Lewiston Municipal Airport, hereinafter called "Lessor" or "Airport", and [REDACTED], with a regular place of business at [REDACTED], hereinafter called "Lessee".

WITNESSETH

WHEREAS, Lessor operates, for the use and benefit of the public, the AUBURN – LEWISTON MUNICIPAL AIRPORT (KLEW) and, through its board of directors, has leasing authority for the Airport; and,

WHEREAS, the leasing of land at the Airport for the construction and use of aviation related facilities is essential to users of the Airport, to the continued viability of the Airport as a public service facility, and to the economic well-being and convenience of the citizens and residents of the area served by the airport; and

WHEREAS, Lessor, in recognition of the foregoing, desires to make certain parcels of land available at the Airport; and

WHEREAS, Lessee is qualified, ready and able to furnish or see to the furnishing of facilities for use in connection therewith;

NOWTHEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties hereto covenant and agree for themselves, their successors, legal representatives and assigns as follows:

ARTICLE I. LEASED PREMISES

Lessor hereby leases to Lessee, for the period and subject to the terms and conditions hereinafter stated, a parcel of land referred to as "the Premises" and shown on the Site Plan attached hereto as Exhibit "A". The Premises include and are further described as follows:

- A. An area of land as shown and more particularly described on Exhibit "A", attached hereto and hereby made a part hereof, containing approximately [REDACTED] square feet, said area containing
 - a. a building measuring [REDACTED]' wide and [REDACTED]' deep designated Hangar [REDACTED], to be built, hereinafter referred to as the "Building" or "Hangar"; and,
 - b. a driveway and vehicle parking area of approximately [REDACTED] square feet; and,
 - c. an aircraft parking apron AND/ OR taxilane measuring approximately [REDACTED]' wide and [REDACTED]' deep.
- B. such rights to access, ingress and egress, water, sewer, natural gas, electricity, and other utilities and other rights, easements and privileges as may be reasonably necessary for the efficient construction and operation of the Hangar, including access to roadways, taxiways and other ways.

The foregoing Premises shall be further and finally described in an "As Built" survey to be provided by Lessee and attached hereto upon completion of any new construction which occurs during the term of this Agreement.

ARTICLE II. TERM OF LEASE

Lessee shall have and hold Parcel " " for a term of () years beginning on the day of , 20 and ending on the day of , 20 .

2. Provided this Agreement is still in effect and has not been terminated for any reason and provided that Lessee notifies Lessor in writing on or before the 1st day of November, 20 , of Lessee's election so to do, the Lessee is hereby given the right, at Lessee's option, to extend the term of this Agreement for an additional period of ~~XX~~ (~~XX~~) years from the 1st day of January 20 , to and including the 31st day of December, 20 , upon the same terms and conditions as set forth herein for the original term hereof.

ARTICLE III. OPERATING RIGHTS GRANTED

- A. Lessor hereby grants to Lessee, for the period and subject to the terms and conditions hereinafter stated, the right to construct, use and occupy, on the Premises as defined in Article I, a private, non-commercial aircraft storage hangar and related improvements. Said hangar shall be used solely for the storage of airplanes, jets, helicopters and other aircraft and related machinery and equipment owned by or under lease to Lessee or Lessee's permitted subtenants, invitees, successors and assigns. Lessee may store items other than aircraft in the hangar and on the Premises but said additional storage shall only be incidental to the storage of aircraft in accordance with Federal Aviation Administration Regulations and Policies, as amended from time to time.
- B. The right to the non-exclusive use in common with others, in compliance with all rules, regulations, laws, and ordinances, of roads, driveways, aircraft aprons, runways, taxiways, parking areas and other airport facilities to the extent reasonably required or necessary for the Lessee to utilize the Premises in accordance with this agreement.

ARTICLE IV. RENTS AND PAYMENTS

- A. For the term of this Agreement, Lessee agrees to pay to Lessor, as rental for the use of Parcel " " leased to Lessee hereunder, a fixed annual rent which shall be computed by multiplying the number of square feet contained within the boundaries of said Parcel " " (as shown on Exhibit "A") cents (\$0.) per square foot. Rent for the first year of the term of this Agreement will be prorated based on the commencement date of the term of this Agreement, and will be due within thirty (30) days of the commencement date of this Agreement.
 - a. Said fixed annual rent shall be paid on or before the first (1st) day of each year, January 1st, during the term of the lease.
- B. CPI ESCALATION. Starting January 1, 20 , and every fifth year thereafter for successive five year terms, the annual rental shall be adjusted, upward only if to be changed at all, based on the rental charge then in effect and the U.S. Bureau of Labor Statistics Consumer Price Index for Urban Consumers, Northeast Area, All Items, Base Period 1982-84=100, (Not Seasonally Adjusted) as added cumulatively for the previous five year period as of the end of the immediately preceding June 30th, and then finally determined accordingly by the Lessor's municipal officers. Lessor shall endeavor to notify Lessee of the adjusted annual rent by December 15 of the year before the year when the new

rent takes effect, but any failure of the Lessor to do so shall not affect the Lessee's obligation to pay the higher rent as of its effective date, and such higher rate shall be paid within 30 days of written notice by Lessor to Lessee and shall be retroactive to the date of adjustment. A sample CPI calculation methodology is included in Exhibit "B".

- C. Lessee further agrees to pay Lessor an interest charge of 1-1/2% per month (18% annual percentage rate) on all rents and fees due to Lessor hereunder for each month or fraction of a month that such rents or payments remain unpaid beyond thirty days after the date on which they are due as specified hereinabove. Delinquent accounts are subject to collection fees.

ARTICLE V. LEASED PREMISES RIGHTS GRANTED

During the term hereof Lessee shall have, and Lessor hereby gives and grants to Lessee, the following rights for and incidental to the use of the premises leased to Lessee hereunder.

- A. The right, at Lessee's sole expense, to construct upon the premises leased to Lessee hereunder, such structures and improvements as may be required or desirable in connection with Lessee's aircraft storage hangar, and to install therein and thereon such fixtures, equipment and facilities as Lessee may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed or installed by Lessee without the prior written consent of the Lessor, which consent will not be unreasonably withheld. Lessee covenants and agrees that prior to the construction or installation of such structure, improvement, fixture, equipment, or facility, Lessee will submit detailed plans and other appropriate information showing the location, design and character thereof to Lessor for approval, which approval Lessor agrees shall not be unreasonably withheld or delayed.
- B. Any other uses of the Leased Premises shall only be permitted with the written consent of the Airport, which consent shall not be unreasonably withheld, conditioned, or delayed provided the use does not conflict with the Airport's operations, and does not violate FAA Grant Assurances, the Minimum Standards of the Auburn – Lewiston Municipal Airport (the "Minimum Standards") then in effect relating to the use of the Airport, or any other applicable laws.
 - a. In the event any applicable laws, rules, regulations or the Minimum Standards clearly conflict with the express terms of this Agreement, the terms of laws, rules, regulations and Minimum Standards shall be controlling, but only to the extent necessary to give effect to the particular provision in conflict. Anything to the contrary herein notwithstanding, Lessee shall be obligated to comply with any changes when such compliance is required by federal or local law, regulation or Minimum Standard.

ARTICLE VI. LESSOR AND LESSEE OBLIGATED

During the term of this Lease, Lessor and Lessee shall be bound by the terms, conditions and obligations set forth herein, and, Lessor and Lessee shall be bound by the terms, conditions and obligations contained in "Minimum Standards and Procedures", hereinafter "Standards" as now in existence or as may hereafter be modified or amended, which standards, by their reference herein, become a part of this Lease, and which obligations are of the essence of this Agreement. The Lessor and Lessee hereby covenant and agree that they will fully meet and comply with their respective terms, conditions and obligations, including but not limited to the following:

- A. Lessee shall, promptly when due, pay and meet all expenses in connection with the use of the leased Premises and the exercise of the rights and privileges herein granted, including without limitation: (1) all charges for utility expenses, including but not limited to electricity, water and sewer, heat, internet and telephone expenses, and (2) all permit fees, license fees and assessments lawfully levied or assessed by the City of Auburn, Lewiston or any other taxing body upon the leased Premises, this Lease (or leasehold interest), or structures and improvements and/or on personal property or equipment of Lessee at any time situated at the Airport. Lessee shall at its sole cost secure all permits and licenses required by law.
- B. Lessor agrees that it shall maintain, repair and, as applicable, plow those Airport facilities to which Lessee is entitled to joint use with others. Lessee is responsible for snow removal on leased areas and within 5' in front of the hangar.
- C. Airport Security. Lessee shall be responsible for the locking and securing of all gates adjacent to the buildings in which the Premises are located at all times with no exceptions. Any fines assessed against Airport or Lessor by the FAA, TSA, or other agency as a result of Lessee's failure to comply with the provisions of this paragraph or other intentional or negligent acts or omissions of Lessee's employees or agents will be paid promptly to Airport by Lessee within thirty days (30) days of the date of Airport's receipt of invoice from the FAA, TSA, or other agency.
- D. Lessor conveys and agrees that at all times it will operate and maintain the Airport facilities, as defined hereinabove, as a public airport consistent with and pursuant to the Lessor's Assurances given by Lessor to the United States under the Federal Airport Act.
- E. Lessor shall have no responsibility or liability to furnish any services to Lessee other than those specified in this Agreement, but Lessee may negotiate with Lessor for any additional services it may request and shall pay for such additional services the consideration so negotiated.
- F. If Lessee is not reasonably performing under the terms and conditions of this Agreement in a satisfactory manner, the Airport Board of Directors, its Chair, Airport Manager or representative, shall notify the Lessee in writing of the items constituting unsatisfactory conditions and/or performance. If Lessee so requests, the Airport representative, shall confer with Lessee in an effort to eliminate listed items constituting unsatisfactory conditions and/or performance. If Lessee fails to correct, or to begin correction on a mutually agreeable schedule, the listed items within ten (10) days after receipt of such written notification (or within ten (10) days after said conference, if requested) the Board of Directors may declare this lease suspended or terminated, subject to the right of a permitted mortgagee and the right of Lessee to enforce its rights at law.

ARTICLE VII. GENERAL TERMS AND CONDITIONS

- A. The Board of Directors will designate such individual who will occupy the position of Airport Manager, who shall be responsible for the operation of the Airport, as directed by said Board, and Operator shall comply with such Airport Manager's reasonable requirements. In the absence of an Airport Manager, the Chair of the Board of Directors shall be the Airport's representative with authority.
- B. Lessee agrees that it will not execute any mortgage or create any encumbrance upon any buildings or improvements constructed or installed on the leased premises, or transfer title thereof without previously obtaining the written consent of Lessor.
 - A. Provided, however, Lessor agrees to give consent to leasehold assignments as may be required by a construction or permanent lender in order that mortgages or other liens of such lenders be superior to the Lessor's interest in said buildings or improvements. Lessor's consent to leasehold assignment shall be limited to the Leasehold Assignment shown in Exhibit "A"

attached hereto. Any deviation from the Leasehold Assignment shown in Exhibit "A" requires the prior written approval of Lessor.

- B.** Provided further that mortgages given by the Lessee shall be subject to the following limitations:
- i. mortgages given by Lessee for the construction or completion of buildings of improvements built or installed in the leased premises shall be limited to the amount required for such construction or completion,
 - ii. mortgages given to refinance existing debts shall be limited to a sum equal to the face amount of the original debt plus accrued interest,
 - iii. mortgages given to finance the purchase and sale of the Lessee's business shall be limited to the sale price.
- C.** Lessee shall not assign this Agreement or sublet the whole or any part of the demised premises without previously obtaining the written consent of Lessor. Should Lessor determine that such assignment or subletting is to qualified and responsible parties, such assignment shall not be unreasonably withheld. The consent of Lessor shall be on such reasonable conditions as Lessor shall impose, in writing, and attached hereto as part of this Agreement. In the event of any default on the part of the Lessee or any permitted Assignee as to the payment of any rents or other payment, or any other reinstatable default hereunder, Lessor shall notify any permitted mortgagee or the Lessee, as the case may be, of such default and allow the permitted mortgagee or the Lessee, as the case may be, the same grace period permitted to the Lessee for the making of payment of said rents or payments and/or the time to correct such default, and thereby reinstate the position of the Lessee or permitted Assignee with respect to this Lease. It is further provided that Lessee shall not permit any transfer by operation of law of Lessee's interest created hereunder, other than by merger, or consolidation.
- D.** Lessor shall, during the time of war or national emergency, have the right to lease the landing area of the Airport, or any part thereof, to the United States for use by its Armed Forces, and if any provisions of such lease are inconsistent with the provisions of this Agreement, Lessee may determine this Agreement under the same terms and conditions as herein provided for termination at the expiration of the term of this Agreement.
- E.** This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. In the event the Lessor shall take any action under paragraph B. of this Article and/or make any agreement under this paragraph voluntarily and not as a result of any federal, state, or other authority in effect forcing Lessor to so act or agree, the result of which so substantially affects the normal operations of Lessee at the Airport that it becomes economically or physically unfeasible or impractical for Lessee to continue this lease, then Lessee shall be entitled to a pro rata reduction of rents to such an extent as will allow Lessee to continue this lease under economically and physically feasible circumstances. If such reduction shall not, however, be sufficient to allow Lessee to continue this lease on an economically and/or physically feasible basis, then Lessee shall have the right to terminate this Agreement without further liability and remove or sell its buildings, improvements, equipment and facilities in accordance with the terms of ARTICLE VIII. hereof, except that Lessor shall have, subject, however, to the rights of a permitted mortgagee, the option to purchase from Lessee said buildings, improvements, equipment and facilities at a price equal to the then fair market value of the same. If the Lessor and the Lessee shall be unable to agree as to the said fair market value, then the same shall be determined by a single, independent appraiser acceptable to each of the Lessor and the

Lessee, otherwise by three (3) independent appraisers, one to be chosen by the Lessor, one to be chosen by the Lessee and the third to be chosen by the two appraisers so chosen by the Lessor and the Lessee.

- F.** If Lessor or Lessee shall default in the performance or observance of any covenant, condition or other provisions contained in this Lease to be performed or observed by a party, the other party may, at its option, without waiving claims for breach of agreement, and after such written notice as may be specifically required or provided for herein, cure such default for the account of the defaulting party, and the defaulting party shall reimburse the other for the amount paid therefore and any reasonable expense or contractual liability so incurred, with interest. Lessor may collect any such amount as additional rent, and Lessee may deduct any such amount from rental payments next thereafter accruing.
- G.** During the term of this Agreement, it may become necessary to institute and carry forward extensive programs of construction, expansion, maintenance and repair on the Airport premises, including but not limited to the Leased Premises. Lessee recognizes that, during such times, it may be inconvenienced and such programs may partially impair Lessee's use of the Airport. Lessor reserves the right to make any such improvements, as it deems necessary to the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance. Lessee agrees that the Airport shall not be liable for such inconvenience or disruption, except for reasonable or proportional abatement of rent during the period of impaired use of the Airport.
- A.** Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such inconvenience or interruption, and for and in further consideration of the premises, Lessee waives any right to claim damages or other consideration therefore, provided; however, that this waiver shall not extend to, or be construed to be a waiver of any claim for physical damage to property resulting from Lessor's gross negligence or willful misconduct.
- H.** Lessor shall be permitted access to the Premises to confirm compliance with the lease, airport rules and regulations, minimum standards, and any applicable ordinances, codes and statutes. Inspections shall be conducted at agreed upon times and with a reasonable advance notice. Failure to permit the Lessor access to the Premises shall be construed as a default in the terms of this agreement and may result in termination of the lease.
- I.** If Lessee is a corporation or limited liability company, the undersigned officer of Lessee hereby warrants and certifies to Lessor that Lessee is a corporation or limited liability company (as applicable) in good standing and is authorized to do business in the State of Maine. The undersigned officer of Lessee hereby further warrants and certifies to Lessor that he or she, as such officer, is authorized and empowered to bind Lessee to the terms of this Agreement by his or her signature thereto. If there shall occur any change in the ownership of and/or power to vote the majority of the outstanding capital stock or membership interest (as applicable) of Lessee, whether such change or ownership is by sale, assignment, bequest, inheritance, operation of law or otherwise, without the prior written consent of Lessor, then Lessor shall have the option to terminate this Agreement upon thirty (30) days' written notice to Lessee, furthermore, Lessee shall have an affirmative obligation to notify immediately Lessor of any such change.

ARTICLE VIII. EXPIRATION OR TERMINATION

- A.** This Agreement shall automatically terminate at the end of the Term. Due to the changing nature of aviation and the possibility of a need to utilize the Leased Premises for a different purpose,

Lessor does not guarantee the extension of this Agreement beyond the Initial Term and Extension Terms provided herein.

- B.** Any and all buildings or other facilities constructed on the leased premises by Lessee shall be and remain the personal property of Lessee and Lessee shall remove said buildings and facilities from the leased premises within three (3) months after the termination of this Agreement, or any renewal thereof, or Lessee may, within three (3) months, sell said buildings and facilities to a person, firm or corporation holding a new Agreement with Lessor for the same premises. Provided, however, that:
1. In the event Lessee removes said buildings and facilities from the leased premises, Lessee shall restore the premises to their original condition. Lessor may, at its sole discretion, waive removal of any or all of Lessee's improvements. If Lessee fails to so restore said premises, Lessor may so restore said premises and charge Lessee for such expense, which expense Lessee agrees to assume and pay.
 2. In the event Lessee fails to remove said buildings and facilities within the aforesaid three (3) months period and also fails to sell said buildings and/or facilities as hereinbefore provided, then said buildings and facilities shall, subject to the interests of a permitted mortgagee, become the sole property of Lessor, and Lessor shall have the right, at its option, to tear down and remove said buildings and to restore the leased premises to good repair and safe condition as hereinbefore described and charge the expense thereof to Lessee, which expense Lessee agrees to assume and pay.
 3. For such time as said buildings or facilities shall remain on said leased premises within the aforesaid three (3) months period, Lessee shall pay to Lessor the rents and payments hereinbefore established pro-rated as appropriate.
- C.** Lessor shall have the right, upon thirty (30) days prior written notice to Lessee, to terminate this Agreement in its entirety, upon or after the happening of one or more of the following events, if said event or events shall then be continuing:
- a. If Lessee shall make a general assignment for the benefit of creditors; or
 - b. If Lessee shall file a voluntary petition in bankruptcy or a petition seeking its reorganization or the readjustment of its indebtedness under the Federal Bankruptcy laws or under any similar state laws; or
 - c. If an involuntary petition in bankruptcy shall be filed against Lessee and Lessee is thereafter adjudicated a bankrupt thereunder; or
 - d. If Lessee shall consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of the property of Lessee; or
 - e. If Lessee shall voluntarily abandon and discontinue its provision of FBO services at the Airport as required hereunder for a period of thirty (30) consecutive days, or if Lessee shall abandon its leased premises for a period of thirty (30) days; or
 - f. If Lessee shall fail to pay the rental charges or other money payments required by this instrument and such failure shall not be remedied within thirty (30) days following receipt by Lessee of written demand from Lessor to do so; or
 - g. If Lessee shall default in fulfilling any of the terms, covenants or conditions to be fulfilled by it hereunder and shall fail to remedy said default within thirty (30) days following receipt by Lessee of written demand from Lessor to do so.
 - h. By mutual agreement of both Lessor and Lessee to be obtained in writing and with a minimum of 30 day notice.
- D.** Lessee shall have the right, upon thirty (30) days written notice to Lessor, to terminate or suspend this Agreement upon the happening of one or more of the following events, if said event or events shall then be continuing:
- a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the demised premises,

- preventing or restraining the use of the Airport for normal airport purposes or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport, which remains in force for a period of at least ninety(90) consecutive days; or
- b. If Lessor shall default in fulfilling any of the terms, covenants or conditions to be fulfilled by it under this lease and shall fail to cure said default within thirty (30) days following receipt of written demand from Lessee to do so; or
 - c. If all or a material part of the Airport or Airport facilities shall be destroyed by fire, explosion, earthquake, other casualty, or acts of God or the public enemy; or
 - d. If the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to interfere materially with Lessee's operations, for a period of thirty (30) consecutive days or more.
- E.** In the event of any cancellation or termination of this Agreement, or any renewal thereof, by Lessor for any of the reasons specified hereinabove in paragraph B. of this ARTICLE, Lessor may, subject to the interests of any permitted mortgages, immediately or at any time thereafter enter and expel Lessee, or those claiming under Lessee, and remove Lessee's affects without prejudice to any other remedies for arrears of rents or other payments, or breach of covenant, and upon such entry said term shall cease; and if, prior to the expiration of the term of this Agreement or any renewal thereof, Lessor takes possession of the premises by reason of the failure of Lessee to perform any or all of the conditions and covenants herein contained, title to the buildings shall, subject to the interests of any permitted mortgagee, immediately vest in Lessor and Lessee shall have no further rights in said buildings or other facilities nor shall Lessee have the right to remove at its option to tear down and remove said buildings and to restore the premises to good repair and safe condition and charge the expense thereof to Lessee, which expense Lessee agrees to assume and pay.
- F.** **TERMINATION UPON DESTRUCTION OR OTHER CASUALTY.** Except as otherwise provided in this Agreement, in the event that the Premises or any part thereof shall be destroyed or damaged in whole or part by fire, water, or any other cause, or if any other casualty or unforeseen occurrence shall likewise render the fulfillment of this Agreement by Lessor impossible, then thereupon this Agreement shall terminate and Lessee shall pay fees for said Premises only up to the time of such termination and Lessee shall hereby waive any claim for damages or compensation should this Agreement be so terminated.

ARTICLE IX. NOTICES OR DEMANDS

All notices or demands provided for or which may be given by either party to the other under the terms of this Agreement shall be in writing, signed by the party giving notice or making the demand, and shall be deemed validly served or delivered upon physical delivery or upon deposit in the United States Postal Service mail, certified, return receipt requested, postage and certification fees prepaid, addressed as follows:

To Lessor: Auburn-Lewiston Municipal Airport
Attn: Airport Manager
80 Airport Drive
Auburn, ME 04210

To Lessee: **XX**

or to such other address as the addressee may designate by written notice to the other party delivered in accordance with the provisions of this ARTICLE.

ARTICLE X. WAIVERS NOT CONTINUING, FORCE MAJEURE

- A. Any waiver of any breach of covenants herein contained to be kept and performed by Lessee and Lessor shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent Lessee or Lessor from declaring a forfeiture for any succeeding breach either of the same or of a different condition or covenant.
- B. In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, war, or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

ARTICLE XI. DISCRIMINATION PROHIBITED

Lessee hereby covenants and agrees that in the use and occupancy of the leased premises, it will not on the grounds of race, color, national origin, sex or age discriminate or permit discrimination against any person or group of persons in any manner.

ARTICLE XII. LEGAL TERMS

- A. This Agreement shall be interpreted under the laws of the State of Maine, except any choice of law provisions that purport to apply the laws of any other state or nation. Exclusive venue for any dispute shall be the Maine Superior Court in Androscoggin County.
- B. Each party shall, and does hereby, waive trial by jury in any action, proceeding or claim brought by Lessor against Lessee or by Lessee against Lessor on any matters arising out of or in any way connected with this Agreement, the relationship of the Lessor and Lessee, Lessee's use or occupancy of the Premises or Lessee's right thereto.
- C. In any litigation between the parties regarding any rights or obligations contained in this Agreement, the losing party shall pay to the prevailing party all reasonable expenses (including arbitration expenses) and court costs, including expert witness and attorneys' fees, incurred by the prevailing party. A party shall be considered the prevailing party if:
 - a. It initiated the litigation and substantially obtains the relief it sought, either through a judgment, award, or the losing party's voluntary action before the trial or judgment;
 - b. The other party withdraws its action without substantially obtaining the relief it sought;
 - c. It did not initiate the litigation and judgment is entered for either party, but without substantially granting the relief sought.
- D. All negotiations, considerations, representations and understandings between Lessor and Lessee are incorporated herein and no prior agreements or understandings, written or oral, shall be effective for any purpose. No provision of this Agreement may be modified or altered except by a signed agreement in writing between Lessor and Lessee, and no act or omission of any employee or agent of Lessor shall alter, change, or modify any of the provisions hereof.

- E. The foregoing, together with the Exhibits to this Agreement and any other documents incorporated into the Agreement by reference, constitute the entire agreement between the Parties and supersedes all other agreements or representations of any nature related to the subject matter hereof, whether oral or written, made by or between Lessor and Lessee, except those that are expressly acknowledged in this Agreement. Lessor and Lessee understand and agree that they are relying only upon the written representations, covenants and promises contained in this Agreement and that they have consulted legal counsel as to the nature and extent of their obligations contained herein.

ARTICLE XIII. MISCELLANEOUS

- A. Unless repugnant to the context, “Lessor” and “Lessee” mean the person or persons, natural or corporate, named above as Lessor and Lessee respectively, and their authorized agents, officers, and employees, and their respective heirs, executors, administrators, successor and assign.
- B. This Lease shall not be recorded. Lessee and Lessor mutually agree, at the request of either, to execute a notice of lease for recording purposes. This lease shall not be recorded. Upon commencement of any term, a supplementary agreement will be prepared and executed specifying the dates for the commencement and ending of the original term.
- C. If any provision of this Agreement or its application to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- D. The submission of this Agreement or a summary of some or all of its provisions for examination by Lessee does not constitute a reservation of or option for the premises or an offer to lease said premises, and this document shall become effective and binding only upon the execution and delivery hereof by both the Lessor and Lessee. Employees or agents of Lessor have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith.
- E. All negotiations, considerations, representations and understandings between Lessor and Lessee are incorporated herein and no prior agreements or understandings, written or oral, shall be effective for any purpose. No provision of this Agreement may be modified or altered except by a signed agreement in writing between Lessor and Lessee, and no act or omission of any employee or agent of Lessor shall alter, change, or modify any of the provisions hereof.

END OF AGREEMENT; REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.

SIGNATURE PAGE TO FOLLOW.

IN WITNESS WHEREOF, the parties have hereunto set their hands to be effective to the day and date first above written.

LESSOR:

AUBURN – LEWISTON AIRPORT

By: _____

Jonathan P. LaBonte, Airport Director

DATE

Witness: _____

LESSEE:

XX

By: _____

XX, XX

DATE

Witness: _____

LAND LEASE AGREEMENT
BETWEEN
AUBURN – LEWISTON AIRPORT
AND

EXHIBIT A

PARCEL “___” HANGAR “___”

DRAFT

Insert here plan of leased premises

LAND LEASE AGREEMENT
BETWEEN
AUBURN – LEWISTON AIRPORT
AND
[REDACTED]

EXHIBIT B

SAMPLE CPI ESCALATION METHODOLOGY

DRAFT