

**REGULAR MEETING OF THE BOARD OF
DIRECTORS OF THE MOJAVE AIR AND SPACE PORT
Administration Building
September 15, 2015
2:00 o'clock p.m.**

Director Evans attending meeting via telecom from Hotel 2720
1st Avenue East, Spearfish, South Dakota

AGENDA

Call to Order

Pledge of Allegiance

Roll Call

1. Approval of Agenda

2. Consent Agenda

All items on the consent agenda are considered routine and non-controversial and will be approved by one motion if no member of the Board, staff or public wishes to comment or ask questions.

A) Minutes of September 1, 2015

3. Business Items

A) Check Register 09/09/15

B) Financial Reports

C) Approval of BHK Fee Estimate Proposal for Audit FY 14-15

D) Acceptance of BHK audits for years ended June 30, 2014, 2013, 2012 and 2011.

E) W.M. Lyles Proposal for Water Valves

F) Consent to Assignment of Lease from Richard Rutan to Voyager Aircraft (T-Hgr 969)
Environmental Finding: This project is exempt under CEQA title 14CCR
Section 15301 and Chief Executive Officer is authorized to file a notice
of exemption as necessary

G) Consent to Assignment of Lease from Richard Rutan to Voyager Aircraft (T-Hgr 939)
Environmental Finding: This project is exempt under CEQA title 14CCR
Section 15301 and Chief Executive Officer is authorized to file a notice
of exemption as necessary

H) Shaw, Moses, Mendenhall & Associates: Insurance Renewal for Buildings and
and Personal Property NTE \$75,000

4. Reports/Announcements

- A) Community: Members of the audience may address the Board on items of a community nature.
- B) Board Committees
- C) CEO/GM Report
- D) Board of Directors: This portion of the meeting is reserved for board members to address items not on the agenda

5. Public Comment on Items Not on the Agenda

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any matter not on the agenda, and over which MASP has jurisdiction. Time is limited to 3 minutes. The Board of Directors can take no action on your presentation. Any person desiring to speak on an agenda item will be given an opportunity to do so prior to the Board of Directors taking action on the item.

6. Closed Session

1. Existing Litigation per Government Code Section 54956.9 (My Printing Company)
2. Government Code Section 54957 Personnel Appointment: CEO

Approval of CEO Contract

7. Closed Session Report

Adjournment

**This Agenda was posted on September 11, 2015
By: Debbie**

Persons desiring disability-related accommodations should contact the Clerk of the Board no later than ten days prior to the need for the accommodation. A copy of any writing that is a public record relating to an open session of this meeting is available to the public in the office of the Clerk of the Board.

MISSION STATEMENT

**FOSTER AND MAINTAIN OUR RECOGNIZED AEROSPACE PRESENCE WITH A
PRINCIPLE FOCUS AS THE WORLD'S PREMIER CIVILIAN AEROSPACE TEST CENTER
WHILE SEEKING COMPATIBLY DIVERSE BUSINESS AND INDUSTRY**

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
MOJAVE AIR AND SPACE PORT
September 1, 2015**

The Board of Directors of the Mojave Air and Space Port duly met for a Regular Meeting at the District Offices in the Administration Building at Mojave Airport, Mojave, California, at the hour of 2:00 o'clock p.m. on Tuesday, September 1, 2015.

The Clerk called the roll and the following Directors were present: Balentine, Deaver, Evans, Painter and Peterson. Also present were the District's Chief Executive Officer, Stuart Witt, Deputy General Manager Karina Drees and District's Counsel, Scott Nave on telecom.

President Peterson presented the Agenda. Upon motion by Director Deaver, seconded by Director Balentine and unanimously carried, it was:

RESOLVED: That the Agenda be approved as submitted.

CONSENT AGENDA

President Peterson presented the Consent Agenda. Upon motion by Director Balentine, seconded by Director Evans and unanimously carried, Consent Agenda was approved as submitted.

2A) Minutes of Meeting August 18, 2015

RESOLVED: That the Minutes of the Regular Meeting of August 18, 2015 be approved as submitted and further reading thereof be waived.

2B) Minutes of Meeting August 25, 2015

RESOLVED: That the Minutes of the Special Meeting of August 25, 2015 be approved as submitted and further reading thereof be waived.

BUSINESS ITEMS

3A) Check Register 08/27/15

President Peterson presented the General Fund Check Register for August 27, 2015 with the schedule of electronic fund transfers delineated below. Director Balentine disqualified himself from participating in the discussion of this item due to a potential conflict of interest pertaining to check number 053575 in the amount of \$88.08. Interim CFO Brouse reported on two unusual items on the register, a Chevy Equinox at \$24,220.41 and the July installment for the auditors (BHK) at \$26,000.00. President Peterson inquired about check number 053560 for new administration vehicle, 2015 Chevy Equinox. CEO responded that the purchase of this vehicle was reported to the Board under his approved expenditures at a prior meeting. CEO noted that each year the Kern County Air Pollution Control District (KCAPCD) accepts applications from government agencies and special districts for motor vehicle emissions reduction grant funding. The KCAPCD provides a list of low emission vehicles that agencies may consider when applying for grant funds. President Peterson asked where the vehicle was purchased and staff responded that the vehicles and dealerships are designated by the KCAPCD and this vehicle was picked up in Modesto, CA. Interim CFO Brouse commented that the payee was American Chevrolet GEO Inc. and the District will receive grant funds in the amount of approximately \$8,000.00 to offset a portion of the vehicle purchase price. President Peterson requested that items like this be placed under “Business Items” in the future.

SCHEDULED ELECTRONIC FUND TRANSFERS

AV Fuel	08/26/15	\$ 16,965.43
AV Fuel	08/27/15	\$ 34,760.03
AV Fuel	08/26/15	\$ 16,529.38
AV Fuel	09/04/15	\$ 10,862.39
AV Fuel	09/09/15	\$ 698.75
CalPERS	08/26/15	\$ 33,631.70
State BOE	08/26/15	\$ 1,970.00

Upon motion by Director Evans, seconded by Director Deaver and unanimously carried, it was:

RESOLVED: That Board approve check numbers 053558 through 053597 in the amount of \$120,479.22 and Electronic Fund Transfer payments in the amount of \$115,417.68 for a total of \$235,896.90.

3B) Fitness Center Improvements

DGM Drees noted that in the FY 15/16 Budget \$100,000 was approved for tenant retention program and Board recently approved request from staff to spend \$60,000 for improvements to event center for a fitness center. Staff is now asking for an additional \$20,000 to repair roof at fitness center. Director Evans asked why repairs are needed to the facility that was recently refurbished and converted to an event center and now into a fitness center. DGM Drees responded that the initial investment in the event center was focused on the west side of the building and now that there is someone interested in leasing the east side of the building staff is requesting funds to complete renovations on that side. Renovations completed on the east side of the building include lighting, ceiling, insulation, HVAC, and roof repairs and floor installation are next items to be addressed. CEO Witt commented that the new HVAC units on the roof have caused sagging and since the building is over seventy five years old additional support is necessary to prevent pooling of water from evaporative cooler drains. Upon motion by Director Deaver, seconded by Director Painter and unanimously carried, it was:

RESOLVED: That Board approve to expend \$20,000 for improvements to east side of Building 137.

3C) Resolution authorizing disposal of Surplus Property

CEO Witt reported that GreenVolts, a solar manufacturer of concentrating photovoltaic (CPV) systems is now bankrupt. MASP has been in discussions with a client that desires to purchase components and solar arrays from the District's GreenVolts solar system but

CEO noted that in order to sell components the Board must first declare them as surplus property and authorize staff to obtain bids for proper disposal. Staff is currently in discussions with vendors who can install new solar arrays to power District's administration building. President Peterson asked for clarification since there were spare parts previously sold to a private company. CEO responded that spare parts were sold for approximately \$5,000.00 and the remaining working components were damaged by high winds. Staff is recommending selling remaining components for approximately \$20,000.00 and to utilize the existing poles for new equipment and possibly install covered parking in that area. Upon motion by Director Balentine, seconded by Director Painter and unanimously carried, it was:

RESOLVED: That **RESOLUTION NO. 15-09-739**
A RESOLUTION OF THE BOARD OF DIRECTORS
OF MOJAVE AIR AND SPACE PORT DECLARING
CERTAIN PROPERTY SURPLUS TO THE NEEDS
OF THE DISTRICT AND AUTHORIZING
DISPOSITION OF THE PROPERTY in the District's Resolution File and by this reference be and the same is incorporated herein and made a part hereof as though fully set forth at length, be adopted.

Reports/Announcements

4A) Community

Cathy Hansen reported on the next Plane Crazy event to be held on September 19th from 10:00 a.m. – 2:00 p.m. which will highlight the B-47 Stratojet, a long range, six-engine, turbojet-powered strategic bomber that was designed to fly at high subsonic speed and high altitude to avoid enemy interceptor aircraft. Guest speaker for the event will be Mr. Daniel Yost; retired US Air Force B-47 pilot based and stationed at Schilling AFB Salina, Kansas who served two years as co-pilot and six years as Aircraft Commander. Mr. Yost is also a 1956 graduate of the USAF Test Pilot School and Vietnam Veteran. He is slated to give a presentation in the MASP conference room at 11:00 a.m. on his experiences flying the aircraft from 1957 to 1965.

4B) Board Committees

Director Evans reported that the ad hoc Audit/Finance Committee met with staff prior to

Board meeting to review the draft results of the audit. He stated that while there was nothing surprising or alarming there were some deficiencies noted by the auditors and staff responded appropriately. Director Evans stated that the committee has requested that acceptance and receipt of report be placed on next Board agenda along with the approval of auditors report for fiscal year 14/15. Director Balentine concurred with committee report stated by Director Evans.

4C) CEO/GM Report

CEO Witt reported that U.S. Representative Brian Babin (TX-36) Chairman of the House Subcommittee on Space will be in the Mojave area on September 2nd from 7:30 to 1:00 and will be visiting several companies in the space industry.

CLOSED SESSION

Board adjourned to Closed Session per Government Code Section 54956.8 Real Property Negotiations, Government Code Section 54956.9 Potential Litigation and Existing Litigation and Government Code Section 54957 Personnel.

CLOSED SESSION REPORT

In closed session, the Board discussed real property negotiations with Mach One Fitness, one case of potential litigation regarding Claim of Flight Test Associates Bankruptcy Estate, existing litigation with My Printing Company and Personnel Appointment: CEO. No action was taken and no other items were discussed.

Business Items (continued)

D) Mach One Lease

Board reconvened into open session and upon motion by Director Evans, seconded by Director Balentine approved the Lease Agreement with Mach One Fitness by a vote of 4-1, with Director Evans voting no.

ADJOURNMENT

There being no further business to come before the Board, the chair adjourned the meeting at 3:45 p.m.

RESOLVED: That the regular meeting of
September 1, 2015 be and the same is
hereby adjourned.

President

ATTEST:

Secretary
(SEAL)

Date: Wednesday, September 09, 2015
 Time: 02:49PM
 User: LICALICA

Mojave Air & Space Port

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Company: EKAD

Check Register - Standard

Period: 03-16 As of: 9/9/2015

Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: EKAD												
053598	CK	9/15/2015	1200		03-16		034361	VO	82452188433/AUG	8/20/2015	0.00	93.14
			0109	AT&T								
053598	CK	9/15/2015	0109	AT&T	03-16		034362	VO	82432772660/AUG	8/20/2015	0.00	96.50
053598	CK	9/15/2015	0109	AT&T	03-16		034363	VO	82426811250/AUG	8/20/2015	0.00	94.99
053598	CK	9/15/2015	0109	AT&T	03-16		034364	VO	82425977755/AUG	8/20/2015	0.00	94.99
053598	CK	9/15/2015	0109	AT&T	03-16		034365	VO	82429143388/AUG	8/20/2015	0.00	480.06
053598	CK	9/15/2015	0109	AT&T	03-16		034366	VO	82423366431/AUG	8/20/2015	0.00	192.59
053598	CK	9/15/2015	0109	AT&T	03-16		034367	VO	82417429146/AUG	8/20/2015	0.00	195.10
Telecommunications											Check Total	1,247.37
053599	CK	9/15/2015	0158	Ameripride Uniform Services	03-16		034372	VO	2100463820	8/28/2015	0.00	85.45
053599	CK	9/15/2015	0158	Ameripride Uniform Services	03-16		034373	VO	2100463826	8/28/2015	0.00	173.17
053599	CK	9/15/2015	0158	Ameripride Uniform Services	03-16		034424	VO	2100465384	9/4/2015	0.00	219.01
053599	CK	9/15/2015	0158	Ameripride Uniform Services	03-16		034425	VO	2100465379	9/4/2015	0.00	57.45
Uniform Svc											Check Total	535.08
053600	CK	9/15/2015	0173	Allied Security Holdings LLC	03-16		034400	VO	62056675	8/27/2015	0.00	5,479.88
Security Svc											Check Total	5,479.88
053601	CK	9/15/2015	0198	BHK	03-16		034441	VO	92211	8/31/2015	0.00	22,975.00
Audit Expense											Check Total	22,975.00
053602	CK	9/15/2015	0234	Banyan	03-16		034368	VO	1482771	8/24/2015	0.00	11.70
Gift Shop											Check Total	11.70

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Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
053603	CK	9/15/2015	0249	Benz Construction Services	03-16	034402	VO	2587097/AUG	8/31/2015	0.00	202.57
<u>Refuse Svc</u>											
053604	CK	9/15/2015	0284	Brouse, Michael L.	03-16	034403	VO	AUG 25,26,2015	8/29/2015	0.00	1,375.00
053604	CK	9/15/2015	0284	Brouse, Michael L.	03-16	034426	VO	SEPT 1,2015	9/5/2015	0.00	1,150.00
<u>Accounting Consultant</u>											
053605	CK	9/15/2015	0356	Complete Aviation Fuel Systems	03-16	034374	VO	1425	8/26/2015	0.00	140.04
<u>Fuel Testing Supplies</u>											
053606	CK	9/15/2015	0395	Campbell, Patrick	03-16	034427	VO	210012050	9/3/2015	0.00	12.11
<u>Employee Benefit Reimbursement</u>											
053607	CK	9/15/2015	0410	Dynamic Science, Inc.	03-16	034405	VO	4606	9/1/2015	0.00	20,862.91
<u>Tower Contract</u>											
053608	CK	9/15/2015	0422	Direct TV	03-16	034377	VO	26558128228	8/25/2015	0.00	37.48
<u>Telecommunications</u>											
053609	CK	9/15/2015	0459	Dell Business Credit	03-16	034404	VO	AUG/12001823555	8/26/2015	0.00	2,979.27
<u>Accounting/Equipment & Software</u>											
053610	CK	9/15/2015	0605	Farmer Brothers Company	03-16	034388	VO	62578075 SO	9/1/2015	0.00	67.60
<u>Coffee Svc</u>											

Check Total

2,525.00

140.04

12.11

20,862.91

37.48

2,979.27

67.60

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Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
053611	CK	9/15/2015	0615 Federal Express	03-16	034378	VO	5-142-36105	8/28/2015	0.00	28.46
<u>Shipping</u>										
053612	CK	9/15/2015	0835 High Desert Wireless Broadband	03-16	034406	VO	40235 /AUG 2015	9/8/2015	0.00	2,500.00
<u>Telecommunications</u>										
053613	CK	9/15/2015	0866 The Home Depot Credit Plan	03-16	034407	VO	AUG 2015	8/30/2015	0.00	659.18
<u>Maintenance Supplies</u>										
053614	CK	9/15/2015	0897 HD Supply Waterworks	03-16	034428	VO	E439969	9/1/2015	0.00	190.68
<u>Maintenance Supplies/Water Breaks</u>										
053615	CK	9/15/2015	1005 PTS	03-16	034430	VO	777895 / 09-15	9/3/2015	0.00	53.00
<u>Bldg. 58/Pay Phone</u>										
053616	CK	9/15/2015	1040 Jimco Construction & Equip	03-16	034408	VO	39754/AUG 2015	8/12/2015	0.00	492.20
<u>August RR Inpection</u>										
053617	CK	9/15/2015	1103 Kern County Waste Mgmt.	03-16	034410	VO	1293857-IN	8/27/2015	0.00	96.61
<u>Hazardous Waste Disposal</u>										
053618	CK	9/15/2015	1122 Kelley~Randall	03-16	034393	VO	10712	9/2/2015	0.00	127.40
053618	CK	9/15/2015	1122 Kelley~Randall	03-16	034409	VO	10700	8/28/2015	0.00	45.87
<u>Auto Svc</u>										
										Check Total
										173.27

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Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
053619	CK	9/15/2015	1127 Kern Co. Auditor-Controller	03-16	034421	VO	LAFCO/2015-2016	7/1/2015	0.00	1,976.00
<u>Annual LAFCO</u>										
053620	CK	9/15/2015	1154 Kieffe & Sons Ford	03-16	034379	VO	18016-ADJ	6/12/2015	0.00	3.10
053620	CK	9/15/2015	1154 Kieffe & Sons Ford	03-16	034380	VO	19106	8/19/2015	0.00	14.50
Check Total										17.60
053621	CK	9/15/2015	1200 L & L Construction	03-16	034429	VO	W/E 9-6-15	9/6/2015	0.00	1,056.00
<u>Contractor Consultant</u>										
053622	CK	9/15/2015	1306 Martha's Cleaning Service	03-16	034369	VO	1269 / AUG SVC	8/4/2015	0.00	2,650.00
053622	CK	9/15/2015	1306 Martha's Cleaning Service	03-16	034394	VO	1277	9/2/2015	0.00	2,975.00
Check Total										5,625.00
<u>Cleaning Svc</u>										
053623	CK	9/15/2015	1326 Medford Construction, Inc.	03-16	034411	VO	1502-2	8/27/2015	0.00	605.00
<u>Construction Contractor</u>										
053624	CK	9/15/2015	1364 Mojave/Karl's Hardware	03-16	034412	VO	AUG 2015	8/31/2015	0.00	1,136.20
<u>Maintenance Supplies</u>										
053625	CK	9/15/2015	1369 Mojave Desert News	03-16	034381	VO	44255	8/28/2015	0.00	100.00
<u>Advertising/Display Ad</u>										

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Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
053626	CK	9/15/2015	1372	Mojave Public Utility District	03-16	034382	VO	06-0460-0/08-15	8/31/2015	0.00	1,061.73
053626	CK	9/15/2015	1372	Mojave Public Utility District	03-16	034383	VO	06-0480-0/08-15	8/31/2015	0.00	7,847.38
053626	CK	9/15/2015	1372	Mojave Public Utility District	03-16	034384	VO	06-0490-0	8/31/2015	0.00	106.13
053626	CK	9/15/2015	1372	Mojave Public Utility District	03-16	034385	VO	06-0495-0/08-15	8/31/2015	0.00	204.00
Utility											
Check Total											
053627	CK	9/15/2015	1375	Mojave Sanitation	03-16	034386	VO	2585557/08-15	8/31/2015	0.00	932.89
Refuse											
053628	CK	9/15/2015	1406	Napa Auto Parts	03-16	034370	VO	829144	8/25/2015	0.00	17.12
053628	CK	9/15/2015	1406	Napa Auto Parts	03-16	034395	VO	829684	9/2/2015	0.00	324.37
053628	CK	9/15/2015	1406	Napa Auto Parts	03-16	034396	AD	829698	9/2/2015	0.00	-38.70
Auto & Equipment Supplies											
Check Total											
053629	CK	9/15/2015	1407	Nave & Cortell, LLP	03-16	034416	VO	20223	8/31/2015	0.00	5,625.95
Professional Svc											
053630	CK	9/15/2015	1460	National Test Pilots School	03-16	034413	VO	4255	8/31/2015	0.00	280.00
053630	CK	9/15/2015	1460	National Test Pilots School	03-16	034414	VO	4254	8/31/2015	0.00	9,500.00
053630	CK	9/15/2015	1460	National Test Pilots School	03-16	034415	VO	4256	8/31/2015	0.00	12,000.00
SETP/Employee Training/SS2 Rescue											
Check Total											

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053631	CK	9/15/2015	1800 Ramos / Strong, Inc.	03-16	034371	VO	02866090	8/24/2015	0.00	1,767.73
<u>Auto Fuel</u>										
053632	CK	9/15/2015	1803 Race Telecommunications, Inc.	03-16	034397	VO	RC091416	9/1/2015	0.00	2,493.36
053632	CK	9/15/2015	1803 Race Telecommunications, Inc.	03-16	034431	VO	RC091596 /09-15	9/1/2015	0.00	64.95
										Check Total
										2,558.31
053633	CK	9/15/2015	1945 Smith-Harold	03-16	034375	VO	27975	8/27/2015	0.00	80.00
<u>Employee Benefit Reimbursement</u>										
053634	CK	9/15/2015	1952 So. Calif. Edison	03-16	034442	VO	2025279670/SEPT	9/3/2015	0.00	10,847.67
<u>Utility</u>										
053635	CK	9/15/2015	1954 So. Calif. Gas Co.	03-16	034389	VO	16561545001/SEP	9/1/2015	0.00	14.30
053635	CK	9/15/2015	1954 So. Calif. Gas Co.	03-16	034390	VO	10289363938/SEP	9/1/2015	0.00	18.17
053635	CK	9/15/2015	1954 So. Calif. Gas Co.	03-16	034391	VO	07111545997/SEP	9/1/2015	0.00	0.97
053635	CK	9/15/2015	1954 So. Calif. Gas Co.	03-16	034392	VO	07531545767/SEP	9/1/2015	0.00	8.72
										Check Total
										42.16
053636	CK	9/15/2015	1960 Special District Risk Mgmt.	03-16	034399	VO	52170/2015 ADJ	8/31/2015	0.00	9,845.07

2015 Workers Comp. Balance

Mojave Air & Space Port

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Check Register - Standard

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Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
053637	CK	9/15/2015	1962	Sprint	03-16	03-16	034387	VO	55082151026472	8/24/2015	0.00	47.81
053637	CK	9/15/2015	1962	Sprint	03-16	03-16	034432	VO	678196590/09-15	9/1/2015	0.00	12.68
053637	CK	9/15/2015	1962	Sprint	03-16	03-16	034433	VO	670907680/09-15	9/1/2015	0.00	12.68
<u>Telecommunications</u>												
053638	CK	9/15/2015	1978	Security Benefit	03-16	03-16	034358	VO	PPE 8/23/15	8/28/2015	0.00	2,466.91
<u>Employee Paid Benefits</u>												
053639	CK	9/15/2015	2450	Xerox Corporation	03-16	03-16	034398	VO	081159702	9/1/2015	0.00	505.26
<u>Printer Rental</u>												
053640	CK	9/15/2015	3200	Mallon~Timothy	03-16	03-16	034420	VO	636042/8-25-15	8/25/2015	0.00	21.00
<u>Employee Benefit Reimbursement</u>												
053641	CK	9/15/2015	3220	Hatfield~Ray	03-16	03-16	034418	VO	9700/8-28-15	8/28/2015	0.00	176.99
<u>Employee Benefit Reimbursement</u>												
053642	CK	9/15/2015	3310	Jaworski~Timothy	03-16	03-16	034419	VO	785784293/5887	8/28/2015	0.00	760.28
<u>Employee Benefit Reimbursement</u>												
053643	CK	9/15/2015	4523	Perez~Gerardo	03-16	03-16	034417	VO	283609/32478B	9/9/2015	0.00	80.00
<u>Employee Benefit Reimbursement</u>												
											Check Total	73.17

Date: Wednesday, September 09, 2015
 Time: 02:49PM
 User: LCALICA

Mojave Air & Space Port

Page: 1 of 6
 Report: 03630.rpt
 Company: EKAD

Check Register - Standard

Period: 03-16 As of: 9/9/2015

Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Check Count: 46												
Acct Sub Total: 138,870.63												
Company Disc Total: 0.00												
Company Total: 138,870.63												

EFT's	AVFuel	9/9/15	37.63
	AVFuel	9/10/15	16,502.92
	AVFuel	9/18/15	15,466.92
	AVFuel	9/21/15	27,655.06
	American Express	9/12/15	2,403.29
	CR/Gift Shop, Credit Report, Shipping		638.00
	SW/WA DC Trip, Meetings		482.66
	KW/Tower Equip, ACA Conference		588.55
	HS/Maintenance Supplies		228.66
	KD/WA DC Trip		465.42
	Visa/Card Svc	9/23/15	513.51
	SW/Auto Svc		8.00
	KD/Website Transfer		21.51
	KW/Fire Dept. Knox Box		85.00
	CR/Calpers Conference		399.00
	Total EFT		62,579.33
	Total For Approval		201,449.96

**Mojave Air & Space Port
Treasurer's Report
For the month ended August 31, 2015**

	<u>General</u>	<u>FAA/AIP</u>	<u>County Treasury</u>	<u>LAIF</u>	<u>Total</u>
Beginning Balance	\$ 1,300,058.76	\$ 87,508.24	\$ 912,914.15	\$ 4,844,526.29	\$ 7,145,007.44
Receipts:					
Operating Revenues	513,643.98	-	-	-	513,643.98
Interest Income	56.92	3.62	-	-	60.54
Tax Proceeds	-	-	(608.66)	-	(608.66)
Total Receipts	513,700.90	3.62	(608.66)	-	513,095.86
Expenditures:					
Operating Expenses	(527,590.22)	-	-	-	(527,590.22)
Project Expenses	-	(3,267.48)	-	-	(3,267.48)
Total Expenditures	(527,590.22)	(3,267.48)	-	-	(530,857.70)
Transfers:					
Between General and FAA/AIP	-	-	-	-	-
Between General and County Treasury	-	-	-	-	-
Between General and LAIF	-	-	-	-	-
Total Transfers	-	-	-	-	-
Ending Balance	\$ 1,286,169.44	\$ 84,244.38	\$ 912,305.49	\$ 4,844,526.29	\$ 7,127,245.60

The Mojave Air & Space Port unencumbered cash is on deposit bearing interest at various rates, in accordance with the District's Investment Policy.

Mojave Air & Space Port Fuel Inventory Report

August 2015

JET A		
Beginning Inventory	73,409	
Gallons Delivered		
Gallons Purchased	28,078	
Defuels	-	
Total Gallons Delivered	28,078	
Gallons Pumped		
Gallons Sold	29,696	
Refuels	-	
Tank farm/Line truck sumps	60	
Delivery Samples	20	
Total Gallons Pumped	29,776	
Ending Inventory	71,711	
Physical Check	70,565	
Inventory Value at	2.38	\$167,944.70

AVGAS		
Beginning Inventory	4,303	
Gallons Delivered		
Gallons Purchased	8,468	
Gallons Pumped		
Gallons Sold	3,754	
Tank farm/Line truck sumps	60	
Delivery Samples	5	
Total Gallons Pumped	3,819	
Ending Inventory	8,952	
Physical Check	9,089	
Inventory Value at	4.28	\$38,900.92

LUBRICANTS		
Beginning Inventory	295	
Quarts Purchased	0	
Quarts Sold	28	
Ending Inventory	267	
Physical Check	261	
Aeroshell 100; 100W; 15/50 Multi 107 @ \$5.95; 61 @ \$5.60; 93 @ \$6.55		\$1,587.40

PRIST		
Beginning Inventory	117	
Cans Purchased	0	
Cans Sold	0	
Ending Inventory	117	
Physical Check - Cans	117	
Physical Check - Bulk	7.2	
117 CANS @ \$7.40; 7.2 (5) Gallons @ 120.15		\$1,730.88

UNLEADED FUEL		
Beginning Inventory	687.0	
Gallons Purchased	787.0	
Gallons Used	823.0	
Ending Inventory	651.0	
Physical Check	645.0	
Inventory Value at	\$3.14	\$2,025.30

DIESEL FUEL		
Beginning Inventory	770.0	
Gallons Purchased	441.0	
Gallons Used	312.0	
Ending Inventory	899.0	
Physical Check	874.0	
Inventory Value at	\$2.20	\$1,922.80

August 2015 Fuel Inventory \$214,112.00

**August Gallons Sold 33,450
Year to Date 50,620**

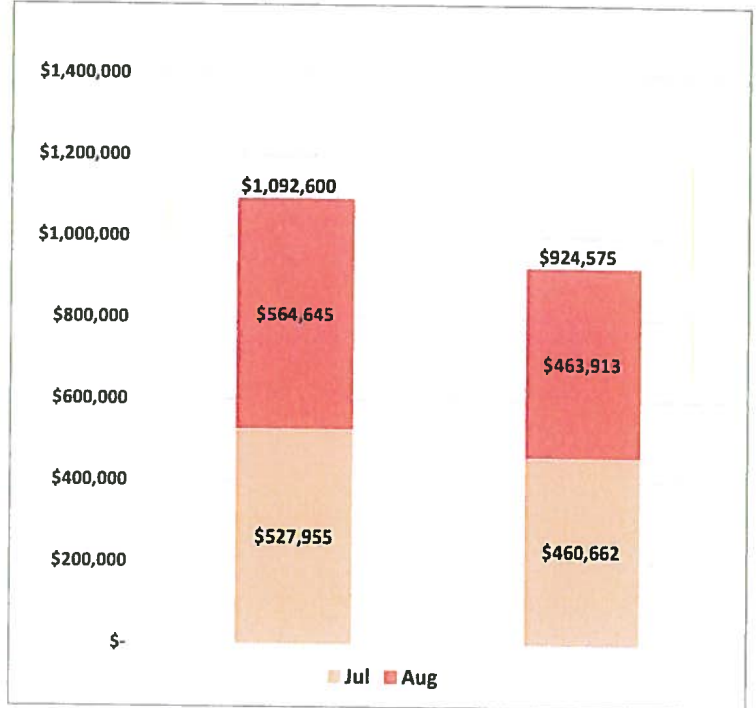
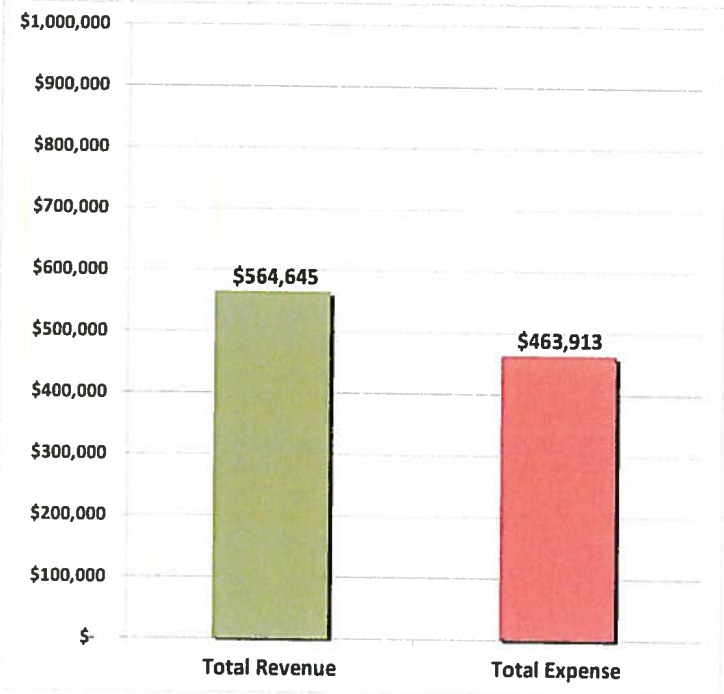
Mojave Air & Space Port

August 2015 Revenue and Expense Summary

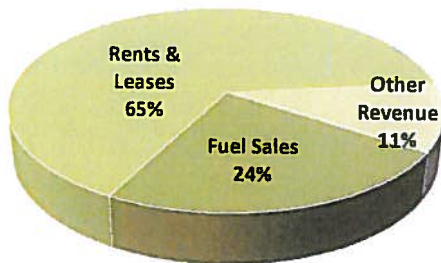
Revenue		Expenses	
Fuel Sales	\$ 133,622	Personnel	\$ 170,345
Rents & Leases	\$ 370,062	Fuel	\$ 94,326
Other Revenue	\$ 60,961	Operating	\$ 199,242
Total Revenue	\$ 564,645	Total Expense	\$ 463,913

Year to Date Revenue and Expense Summary

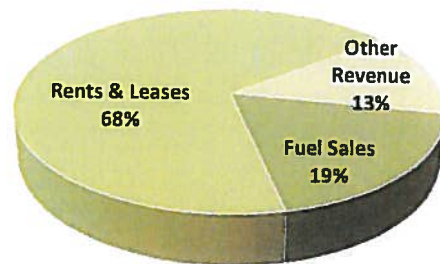
Revenue		Expenses	
Fuel Sales	\$ 204,617	Personnel	\$ 338,950
Rents & Leases	\$ 741,164	Fuel	\$ 114,223
Other Revenue	\$ 146,819	Operating	\$ 471,402
Total Revenue	\$ 1,092,600	Total Expense	\$ 924,575



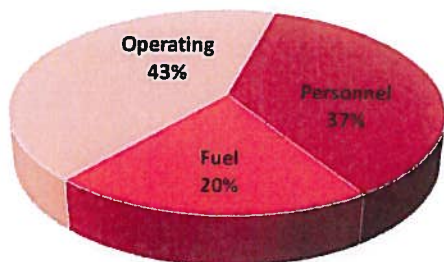
August Revenue



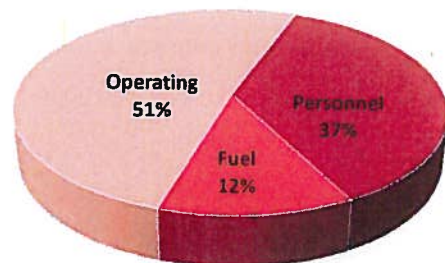
FY 15-16 Revenue



August Expenses



FY 15-16 Expenses



Mojave Air & Space Port

Customers Over 90 Days Past Due

Customer Name	1-30 Days	31-60 Days	61-90 Days	90+ Days	TOTAL	Comments
Flight Test Aerospace, Inc.	3,815.64	3,815.64	3,223.59	5,904.73	16,759.60	Balance over 90 days is for Hangar 100
REM Industries	3,101.44	3,071.95	2,893.80	12,677.56	21,744.75	Sent Statement-Making Payments
Sikora, Victor	585.63	585.63	585.63	29,281.20	31,038.09	Notice to Terminate by 10/31/2015
XCOR	12,624.29	12,489.05	12,363.41	363.34	37,840.09	Sent Statement-Payment being sent
TOTALS	20,127.00	19,962.27	19,066.43	48,226.83	107,382.53	

Aged AR as of 9/10/2015 293,866.06 19,636.98 48,226.83 399,594.71

Payment Arrangements included in 1-30 days

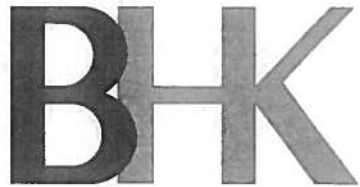
Payment Arrangements

Fiberset

18,134.56

18,134.56

PROPOSAL TO PROVIDE SERVICES
MOJAVE AIR & SPACEPORT



BARBICH HOOPER KING
DILL HOFFMAN
ACCOUNTANCY CORPORATION

September 2, 2015

Board of Directors
Mojave Air & Spaceport
1434 Flightline
Mojave, California 93501

We are pleased to respond to your Board's request regarding a fee estimate proposal for the audit engagement to be performed for Mojave Air & Spaceport, (hereafter referred to as "the District") for the year ending June 30, 2015.

Our client service team will ensure that you receive the highest degree of professional accounting and other consulting services on a timely and efficient basis. Geoffrey King, audit partner, will have overall responsibility for the audited financial statements and business advisory aspects of your engagement. Mark Gehring, manager in the accounting and auditing department, will have responsibility for assisting Mr. King in coordinating all aspects of your engagement. Both Mr. King and Mr. Gehring have numerous years of experience in Governmental and Special District audits. In addition to our overall experience, we have previous experience with a number of other Special Districts in the Kern County (See Appendix A).

As auditors, our role is to work directly with and for the respective organizations governing board. While we will have a day to day ongoing working relationship with your management team, ultimately, we are always responsible and accountable to the governing board. We are always open to direct communications with such boards. We pride ourselves on good communication with the respective board and management team.

We have put together an engagement team with the skills, resources and, above all, the commitment to enable us to make a distinct contribution to your success. We offer you numerous services, including the following:

- **Responsive service** - In our business, professional and working relationships, we strive for responsive, quality service. What this means to the Authority is that we can guarantee our work will be timely, of high quality and sensitive to your needs.
- **Pro-active approach** - Our approach is pro-active rather than reactive. We don't just respond to change, we anticipate it. This means we are well equipped to advise you about new opportunities for increasing efficiency and competitiveness.
- **Business approach to the engagement** - Our professionals have the experience and the industry expertise to meet your business, financial statement, and consulting requirements now and as you continue to grow. Each member of your client engagement team is committed to long-term client service.
- **Seamless transition** - We are experienced in replacing other accountants, and we offer tangible benefits in transition. A fresh look is vital in rethinking the accounting process to achieve cost and productivity improvements. We commit to a rapid and smooth transition.

P.O. BOX 11171 | BAKERSFIELD, CA 93389

5001 E. COMMERCENTER DRIVE | SUITE 350 | BAKERSFIELD, CA 93309

(661) 631-1171 OFFICE | (661) 631-0244 FAX | BHKCPAS.com

We subscribe to a review of our practice by our peers every three years. This review includes actual tests of our audit, review and compilation engagements as well as our internal system for maintaining quality control and the continuing education of our staff. This peer review was most recently completed in November 2013, at which time our firm received an unqualified report. Our firm has not been the subject of any disciplinary actions of the California State Board of Accountancy, California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, or any other regulatory body of the accounting profession.

We strive to add value that is greater than the costs of our fees. Our objective is to provide outstanding client service at a reasonable fee. The fee we charge will be commensurate with the level of experience and effort required to complete the work. We keep our fees to a minimum by assigning experienced personnel to the engagement and by involving your accounting staff as much as possible so that our representatives can concentrate on the significant phases of the engagement. We do not believe that fees should be a primary basis for selecting an accounting firm. These decisions should be based on industry experience, commitment to client service and the ability to get the job done in the most efficient manner possible. Therefore, we would be happy to discuss the fees for our proposed services in more detail. Our estimated fee for the audited financial statements for the years ended June 30, 2015 is estimated in the range of \$22,000 - \$25,000 (inclusive of all travel and out of pocket costs). In addition, if the audit requires specific compliance work with respect to any Federal grants requiring an A-133 audit, we estimate the cost of such A-133 audit procedures could add fees in a range of \$2,500 - \$5,000. The final amount charged will be based on the level of involvement by District staff and the amount of time spent testing the general ledger.

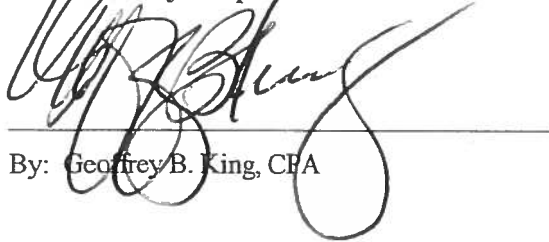
In order to meet these projections we have anticipated maximum assistance from the District's accounting staff and management. If during our engagement any extraordinary matters come to our attention, and an extension of our services beyond the scope of our intended engagement as described in this proposal is required, we reserve the right to consult with you regarding an adjustment to the fees quoted for the periods noted above. The fee estimates presented herein are developed based upon your current accounting and management systems in place. Fees for our services are billed on a monthly basis and are due upon presentation.

For additional services performed, billing for such services would be at the rates in effect at the time services are performed. Rates currently in effect are as follows, which may increase nominally each year:

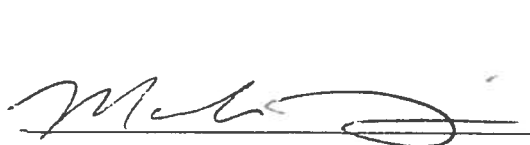
Partner	\$ 260
Manager	210
Senior/Supervisor	90 - 130
Staff Accountant	65 - 80
Administrative Staff	50

We appreciate the opportunity to be of service to you. Please contact Mark or myself should you have any further questions.

BARBICH HOOPER KING
DILL HOFFMAN
Accountancy Corporation



By: Geoffrey B. King, CPA



By: Mark Gehring, CPA

Appendix A
List of Special District Audits and other Government Audits

Wheeler Ridge-Maricopa Water Storage District
Mr. Robert Kunde, Engineer-Manager

Arvin-Edison Water Storage District
Mr. David Nixon, Assistant Manager

Power and Water Resources Pooling Authority
Mr. David Nixon, Treasurer

Semitropic Water Storage District
Mr. Luis Salinas, Controller

Semitropic-Rosamond Water Banking Authority
Mr. Luis Salinas, Treasurer

West Kern Water Storage District
Sunny Kapoor, Director of Finance

North Kern Water Storage District
Mr. Richard Diamond, General Manager

15th District Agricultural Association
(Kern Country Fair)
Michael Olcott, Chief Executive Officer

Rabobank Arena – A Division of Bakersfield City
Nelson Smith, Finance Director

Frazier Park Public Utility District
Rebecca Gipson, President

Golden Hills Community Service District
Mindy Madenwald, Business Manager

Geoffrey B. King
Partner

Geoffrey B. King is a partner in the Bakersfield office of Barbich Hooper King Dill Hoffman Accountancy Corporation, with overall firm responsibility for quality control in the area of accounting and auditing. In addition to accounting and auditing, his areas of expertise are taxation, general business consulting, with emphasis in agriculture, wholesale distribution, oil industry, employee benefit plans, non-profit, special districts and litigation services.

Mr. King graduated from California State University, Bakersfield in 1976 with a Bachelor of Science degree in Accounting. He continues his relationship with the University as a member of the Board of Directors of the California State University Bakersfield Foundation and has served as chairman of Board. He is also a past Chairman of the Intercollegiate Athletic Committee and has served as a member of the finance committee and audit committee. Mr. King was named CSUB Alumnus of the Year in 2001 and was inducted into the CSUB Alumni Hall of Fame in 2015.

He is a member of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CSCPA). Mr. King has served on the AICPA Peer Review Board, and as Chairman of the CSCPA Peer Review Committee. He is a past Chairman of the CSCPA Accounting Principles and Auditing Standards Committee, and is a past president of the Bakersfield Chapter.

Mr. King is a member of the Rotary Club of Bakersfield, and is a past treasurer and a past member of the Board of Directors for that organization. He is a past board member of the Bakersfield Community House, and a past President of the Bakersfield Gunners Soccer Club, a youth soccer organization. He was also a Bakersfield City Council appointee to the City Center Expert Citizens Oversight Committee. Mr. King is a past board member and Chairman of the Board of Directors of the Kern County Employees' Retirement Association, which is responsible for administering Kern County's public retirement system.

He is a past member of the Board of Directors of Garces Memorial High School and currently serves as a board member for the Garces Memorial High School Foundation. Mr. King was named Garces High School's Man of the Year in 2012.

Mr. King currently serves on the Citizens Advisory Committee of the Assistance League of Bakersfield. He serves on the Board of Directors of The Friends of Mercy Foundation, a foundation for Mercy Hospital/Dignity Health. Mr. King also serves as an independent member of the Board of Directors of a large century-old family owned farming and real estate company. He also sits on the two governing HOA Boards of Directors of a Hawaii resort property; he currently serves as the Treasurer for one of those Associations.

He has served with Cooks from the Valley, a volunteer group providing and performing steak barbecues for the armed services throughout the world. Mr. King has served U.S. Troops in the Arabian Peninsula, Europe, and domestically.

Ronald O. Dill
Partner

Ronald O. Dill is a partner in the Bakersfield office of Barbich Hooper King Dill Hoffman Accountancy Corporation, with overall firm responsibility for quality control in the area of taxation. His specific areas of expertise are in business taxation, business consulting and financial accounting. He has worked extensively with agriculture, water districts, construction, and family businesses.

Mr. Dill graduated with a Bachelor of Science in Business Administration with emphasis in accounting from California State University, Bakersfield.

He is a member of American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. He has served as a director and past president of the Bakersfield Chapter of the California Society of Certified Public Accountants.

He is presently a member of the Board of Directors of the Bakersfield ARC Foundation. His community involvement has included being a past president of the American Lung Association of Kern County Branch. He has also served as past treasurer and executive Board Member of the American Lung Association in California. He is a graduate of the Greater Bakersfield Chamber of Commerce Leadership Bakersfield Class of 1999.

Mark R. Gehring, CPA
Manager

Mr. Gehring's specific areas of expertise are in auditing and attestation. He worked extensively in the high technology industry for three years in Silicon Valley for a Big 4 firm. He has been with Barbich Hooper King Dill Hoffman for over ten years working on manufacturing companies, water districts, agricultural companies, and mortgage banks. Mr. Gehring also serves as the Firm's primary technical resource on accounting and auditing, financial reporting and GAAP matters.

Mr. Gehring graduated with a Bachelor of Science in Accounting from California Polytechnic State University, San Luis Obispo.

He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

He enjoys spending time with his family and playing golf.



September 8, 2015

To the Board of Directors

Mojave Air & Space Port

We have audited the financial statements of Mojave Air and Space Port for the years ended June 30, 2014, 2013, 2012, and 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 7, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies issued by Mojave Air and Spaceport are described in Note 1 to the financial statements. No new accounting policies were adopted that impacted the financial statements or operations of Mojave Air and Spaceport and the application of existing policies was not changed during 2011 - 2014. We noted no transactions entered into by Mojave Air and Space Port 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 district's financial statements were:

Management's estimate of the allowance for doubtful accounts is based on its ability to collect receivables based on current market conditions.

Management's estimate of the other post-employment benefit liability is based on an actuary's calculation and estimate based on current factors and understandings.

We evaluated the key factors and assumptions used to develop these estimates in determining 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 financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure regarding the other post-employment benefit plan's funding policy, costs and actuarial methods and assumptions described in Note 4 to the financial statements.

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. See attached schedule for significant misstatements detected as a result of our audit procedures.

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 management representation letter dated September 8, 2015.

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 Mojave Air and Space Port'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 Mojave Air and Space Port'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 Management's Discussion and Analysis and the Schedule of Funding Progress – OPEB, which is 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.

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Mojave Air and Space Port and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

BARBICH HOOPER KING
DILL HOFFMAN
Accountancy Corporation

A handwritten signature in black ink that reads "Barbich Hooper King". The signature is written in a cursive, slightly slanted style.

Bakersfield, California
September 8, 2015

Mojave Air and Space Port
Audits for the Years Ended June 30, 2011, 2012, 2013, and 2014
Schedule of Corrected Misstatements

<u><i>Listing of 2011 Corrected Misstatements:</i></u>	<u>Debit</u>	<u>Credit</u>
1) Retained Earnings	757,222	
Operating Expense		757,222
<i>to close out transfers from the FAA accounts to the general ledger</i>		
2) OPEB Liability	20,485	
Operating Expense		20,485
<i>to adjust OPEB to actual</i>		
3) Operating Expense	63,791	
Accrued Liabilities		63,791
<i>to adjust employee related accruals and benefits</i>		
4) Accrued Liabilities	180,194	
Operating Expense		180,194
<i>to adjust FET and sales tax accruals</i>		
5) Accrued Liabilities	280,000	
Revenue		280,000
<i>to adjust for Space Ship One and Alta Windpower deposits</i>		
6) Accounts Receivable	136,124	
Accrued Liabilities		56,191
Other Income		79,933
<i>to adjust for deposits recorded in accounts receivable (Statolaunch, Virgin Galactic, Dephi, DTE, and Maglev)</i>		
7) Other Income	51,722	
Cash		51,722
<i>to write-off CD account that was closed out during 2011</i>		
8) Accounts Receivable	342,934	
Other Income		342,934
<i>to adjust allowance for doubtful accounts to estimate</i>		
9) Accounts Payable	43,063	
Other Income		43,063
<i>to adjust FAA accounts payable to actual</i>		

<u>Listing of 2012 Corrected Misstatements:</u>	<u>Debit</u>	<u>Credit</u>
1) Retained Earnings	1,838,259	
Operating Expense		1,838,259
<i>to close out transfers from the FAA accounts to the general ledger</i>		
2) Operating Expense	186,800	
Retained Earnings		20,485
OPEB Liability		166,315
<i>to adjust OPEB to actual</i>		
3) Operating Expense	75,598	
Retained Earnings	63,791	
Accrued Liabilities		139,389
<i>to adjust employee related accruals and benefits</i>		
4) Accrued Liabilities	351,394	
Retained Earnings		180,194
Operating Expense		171,200
<i>to adjust FET and sales tax accruals</i>		
5) Accrued Liabilities	280,000	
Retained Earnings		280,000
<i>to adjust for Space Ship One and Alta Windpower deposits</i>		
6) Accounts Receivable	370,090	
Accrued Liabilities		290,157
Retained Earnings		79,933
<i>to adjust for deposits recorded in accounts receivable (Statolaunch, Virgin Galactic, Dephi, DTE, Maglev, Union Pacific)</i>		
7) Retained Earnings	51,722	
Cash		51,722
<i>to write-off CD account that was closed out during 2011</i>		
8) Accounts Receivable	231,697	
Operating Expenses	111,237	
Retained Earnings		342,934
<i>to adjust allowance for doubtful accounts to estimate</i>		
9) Other Income	59,611	
Accounts Payable		16,548
Retained Earnings		43,063
<i>to adjust FAA accounts payable to actual</i>		
10) Other Income	56,630	
Grants Receivable		56,630

<u>Listing of 2013 Corrected Misstatements:</u>	<u>Debit</u>	<u>Credit</u>
1) Retained Earnings	3,469,787	
Operating Expense		3,469,787
<i>to close out transfers from the FAA accounts to the general ledger</i>		
2) Operating Expense	165,695	
Retained Earnings	166,320	
OPEB Liability		332,015
<i>to adjust OPEB to actual</i>		
3) Operating Expense	60,483	
Retained Earnings	139,389	
Accrued Liabilities		199,872
<i>to adjust employee related accruals and benefits</i>		
4) Accrued Liabilities	531,091	
Retained Earnings		351,394
Operating Expense		179,697
<i>to adjust FET and sales tax accruals</i>		
5) Accrued Liabilities	280,000	
Retained Earnings		280,000
<i>to adjust for Space Ship One and Alta Windpower deposits</i>		
6) Accounts Receivable	136,124	
Accrued Liabilities		56,191
Retained Earnings		79,933
<i>to adjust for deposits recorded in accounts receivable (Statolaunch, Virgin Galactic, Dephi, DTE, and Maglev)</i>		
7) Accounts Receivable	3,721	
Operating Expenses	227,976	
Retained Earnings		231,697
<i>to adjust allowance for doubtful accounts to estimate</i>		
8) Retained Earnings	16,548	
Accounts Payable		16,548
<i>to adjust FAA accounts payable to actual</i>		
9) Retained Earnings	56,630	
Grants Receivable	388,345	
Other Income		444,975
<i>to adjust grants receivable to actual</i>		
10) Fuel Inventory	18,347	
Operating Expenses		18,347
<i>to adjust fuel inventory to actual</i>		

<u>Listing of 2014 Corrected Misstatements:</u>	<u>Debit</u>	<u>Credit</u>
1) Retained Earnings	922,220	
Operating Expense		922,220
<i>to close out transfers from the FAA accounts to the general ledger</i>		
2) Operating Expense	168,000	
Retained Earnings	332,015	
OPEB Liability		500,015
<i>to adjust OPEB to actual</i>		
3) Operating Expense	88,328	
Retained Earnings	199,872	
Accrued Liabilities		288,200
<i>to adjust employee related accruals and benefits</i>		
4) Accrued Liabilities	656,018	
Retained Earnings		531,091
Operating Expense		124,927
<i>to adjust FET and sales tax accruals</i>		
5) Accrued Liabilities	280,000	
Retained Earnings		280,000
<i>to adjust for Space Ship One and Alta Windpower deposits</i>		
6) Accounts Receivable	257,263	
Operating Expenses	33,574	
Revenue		287,116
Retained Earnings		3,721
<i>to adjust allowance for doubtful accounts to estimate</i>		
7) Retained Earnings	16,548	
Accounts Payable		16,548
<i>to adjust FAA accounts payable to actual</i>		
8) Other Income	444,975	
Grants Receivable		56,630
Retained Earnings		388,345
<i>to adjust grants receivable to actual</i>		
9) Operating Expenses	48,858	
Fuel Inventory		30,511
Retained Earnings		18,347
<i>to adjust fuel inventory to actual</i>		
10) Operating Expenses	222,381	
Accrued Liabilities		222,381
<i>to expense miscapitalization of PERS contributions</i>		

MOJAVE
AIR AND SPACE PORT
STAFF MEMORANDUM

TO: Board of Directors
FROM: Kevin Wojtkiewicz, COO
SUBJECT: Infrastructure improvements (Water Valve Replacement)
MEETING DATE: September 15, 2015

Background:

MASP identified \$280,000 in the budget for infrastructure improvements. MASP requests \$35,000, out of the budgeted \$280,000, for water valve replacement. The water valves being replaced are located on the line in between buildings 77 and 79. The current valves are old and do not close causing major shut downs for repair.

Impacts:

Fiscal: up to \$35,000 budgeted dollars.

Environmental: N/A

Legal: N/A

Recommended Action:

- Approve the capital expenditure allocation of \$35,000 for infrastructure improvements.
- Approve management of the funds by the CEO.

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is made as of September 1, 2015 between Richard Rutan ("Assignor"), Voyager Aircraft, LLC ("Assignee"), and Mojave Air and Space Port ("Landlord").

Recitals

A. Mojave Air and Space Port, as landlord, and Assignor, as Tenant, executed a lease dated as February 1, 2015 ("Lease"), a copy of which is attached and incorporated by reference as Exhibit A, pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, that certain property described in the Lease (the "Premises" Ground Lease, T-Hangar 969).

B. Assignor desires to assign the Lease to Assignee, and Assignee desires to accept the assignment of the Lease from the Assignor, and assume the obligations under the Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, Assignor and Assignee agree as follows:

Terms

Section 1. Assignment

Assignor assigns and transfers to Assignee all right, title, and interest in the Lease, and Premises, and Assignee accepts from Assignor all right, title, and interest, subject to the terms and conditions set forth in this Assignment.

Section 2. Assumption of Lease Obligations

Assignee represents and warrants that:

- (a) It is a duly organized corporation in good standing in the State of its incorporation, is registered with the California Secretary of State, and is authorized to do business in the County of Kern and State of California.
- (b) All necessary corporate approvals for the assumption of this Lease have been obtained by Assignee.
- (c) Assignee agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed by Assignor under the Lease, including the making of all payments due or payable to Landlord under the Lease as they become due and payable.

Section 3. Assignor's Covenants

(a) Assignor covenants that the copy of the Lease attached as Exhibit A is a true and accurate copy of the Lease as currently in effect, and that there exists no other agreement affecting Assignor's tenancy under the Lease.

(b) Assignor covenants that the Lease is in full effect and no default exists under the Lease, nor any acts or events which, with the passage of time or the giving of notice or both, could become defaults.

Section 4. Consent of Landlord

Landlord consents to this Assignment of the Lease to Assignee, subject to the following conditions:

- (a) Notwithstanding this Assignment and Landlord’s consent to this Assignment, Assignor shall remain primarily obligated as Tenant under the Lease.
- (b) Landlord does not waive or relinquish any rights under the Lease against Assignor or Assignee.

Section 5. Attorney Fees

In any legal action or proceeding between Assignor, Assignee, and/or Landlord arising out of this Assignment, the non-prevailing party shall pay to the prevailing party the prevailing party’s costs, expenses, and attorney and expert fees, including, without limitation, those incurred on appeal and/or in the enforcement of a judgment.

Section 6. Indemnification

Assignor and Assignee jointly and severally shall indemnify Landlord from and against any loss, cost, or expense, including attorney’s fees and court costs, relating to the failure of Assignor or Assignee to fulfill their obligations under this Assignment and/or the Lease.

Section 7. Successors and Assigns

This Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

Section 8. Governing Law

This Assignment shall be governed by and construed in accordance with laws of the State of California, without regard to its conflicts of law provisions.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

Assignor, Richard Rutan

Landlord, Mojave Air and Space Port

By _____
[Richard Rutan, Owner]

By _____
Dr. Allen Peterson, BOD President

Assignee, Voyager, LLC

Attest

By _____
Voyager Aircraft, LLC (Richard Rutan, Sole Proprietor)

By _____
Bill Deaver, Secretary

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Terms

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Section 2. Assumption of Lease Obligations

Assignee represents and warrants that:

- (a) It is a duly organized corporation in good standing in the State of its incorporation, is registered with the California Secretary of State, and is authorized do business in the County of Kern and State of California.
- (b) All necessary corporate approvals for the assumption of this Lease have been obtained by Assignee.
- (c) Assignee agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed by Assignor under the Lease, including the making of all payments due or payable to Landlord under the Lease as they become due and payable.

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Assignor, Richard Rutan

Landlord, Mojave Air and Space Port

By _____
[Richard Rutan, Owner]

By _____
Dr. Allen Peterson, BOD President

Assignee, Voyager, LLC

Attest

By _____
Voyager Aircraft, LLC (Richard Rutan, Sole Proprietor)

By _____
Bill Deaver, Secretary