

ALABAMA STATE PORT AUTHORITY
Finance Committee Meeting Minutes
Meeting of September 21, 2021

A meeting of the Finance Committee (the "Committee") of the Alabama State Port Authority (the "Authority") was held on September, 2021 beginning at 11:00 a.m. Committee members present, either in person or by telephone were Horace Horn, Tony Cochran, Daryl Dewberry, Carl Jamison, and Bestor Ward. Also attending were John Driscoll, Director/CEO of the Authority; Linda Paaymans, Secretary-Treasurer/CFO of the Authority; and Rick Clark, Deputy Director/COO of the Authority.

As Finance Committee Chair, Horace Horn presided, and the meeting commenced after noting that enough members were present to constitute a quorum.

The meeting began with a review and discussion of the **Financial Services Division Report** led by Ms. Paaymans, including information that during the month the **Accounting Department**: published the financial statements for the month; is performing interim work with the external auditors in preparation for year-end close; has prepared the Operating Budget for fiscal year 2022; and is compiling the list of requested projects for the Capital Budget for the fiscal year 2022. Work continues on the remaining issues with the UltiPro payroll module. The State of Alabama Department of Examiners of Public Accounts has begun a routine legal compliance examination of the Authority for the period October 1, 2014 through September 30, 2021. This review includes tests to determine if the Authority has complied with applicable state and local laws and regulations.

Risk Management remains busy with policy renewals, insurance and FEMA reimbursements, along with credit and collections activities. Mr. Malpas hosted our Inland Marine Equipment insurer who conducted a loss control review of our facilities. We currently await their report.

Information Technology staff continues to support daily operations and project work. During the month, management, McDuffie Operations, and IT concluded discussions regarding the Navis/Jade Master Terminal Operating System's expectation for long-term success in supporting the coal terminal, taking a decision to implement another solution that is purpose-built for such operations. Navis has been informed of this decision.

Ms. Paaymans briefed the Committee on the **Monthly Profit and Loss Statement** for August 2021 (summary table and graph attached).

Ms. Paaymans presented the Committee with the details of the **Proposed Operating Budget for Fiscal Year 2022**, beginning with proposed personnel and activity levels, followed by operating revenues and expense. Following the presentation and discussion, the Committee voted unanimously to recommend adoption of the budget to the Board of Directors at the September 28th meeting.

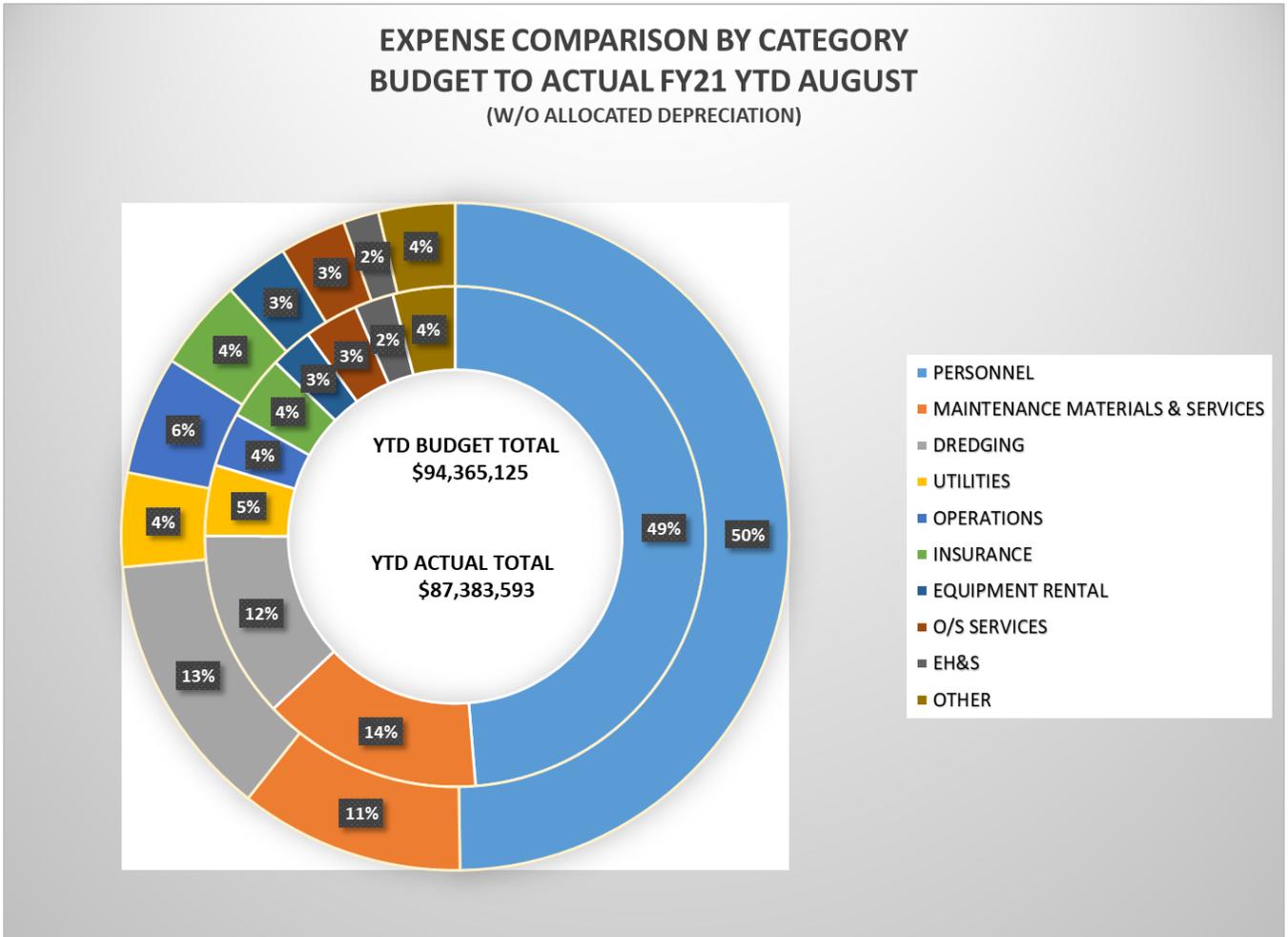
The Committee then discussed the current lease schedule. After thorough review and discussion, the Committee voted unanimously to recommend referral of the leases to the Board of Directors for approval.

For the sake of time, the Director did not provide an update on activities as all Committee members had the opportunity for a business update at another committee meeting.

The Committee unanimously approved the minutes of the prior meeting of the Committee held on August 17, 2021, which minutes were distributed to the Committee prior to the meeting.

The Committee then scheduled the next committee meeting for October 19, 2021 at 11:00 a.m.

There being no further business, the meeting adjourned.



Inner wheel represents YTD Budget Expense and outer wheel represents YTD Actual Expense.

FINANCIAL RESULTS

CURRENT PERIOD: AUGUST 2021					
MONTHLY PROFIT AND LOSS STATEMENT					
(000s)					
	MONTH		YTD		LAST YTD
	ACTUAL	VARIANCE	ACTUAL	VARIANCE	ACTUAL
TOTAL REVENUE	\$ 10,503	\$ (1,507)	\$ 139,958	\$ 9,785	\$ 127,198
101-General Cargo Intermodal	\$ 2,776	\$ (75)	\$ 35,268	\$ 4,040	\$ 32,465
104-Marine Liquid Bulk Terminal	\$ 144	\$ (330)	\$ 3,633	\$ (28)	\$ 3,316
106-McDuffie Island Coal Terminal	\$ 3,965	\$ (1,521)	\$ 60,907	\$ 1,919	\$ 55,922
107-Terminal Railroad	\$ 1,954	\$ 144	\$ 20,503	\$ 417	\$ 20,766
109-Real Estate	\$ 1,239	\$ 269	\$ 14,051	\$ 3,116	\$ 9,722
110-Dredging Management	\$ (0)	\$ (0)	\$ 812	\$ 412	\$ 133
111-Harbormaster	\$ 209	\$ (10)	\$ 2,454	\$ 38	\$ 2,383
112-Mobile Middle Bay Port	\$ 139	\$ 11	\$ 1,591	\$ (185)	\$ 1,776
Inland Docks	\$ 76	\$ 5	\$ 739	\$ 56	\$ 715
TOTAL EXPENSE (INCL ALLOCATED DEPRECIATION)	\$ 7,360	\$ 1,637	\$ 89,027	\$ 7,065	\$ 94,928
101-General Cargo Intermodal	\$ 1,633	\$ 348	\$ 20,217	\$ 1,630	\$ 20,498
104-Marine Liquid Bulk Terminal	\$ 122	\$ (22)	\$ 1,130	\$ 143	\$ 1,125
106-McDuffie Island Coal Terminal	\$ 3,174	\$ 1,752	\$ 44,980	\$ 5,112	\$ 51,444
107-Terminal Railroad	\$ 1,446	\$ (17)	\$ 15,977	\$ 180	\$ 15,323
109-Real Estate	\$ 635	\$ (319)	\$ 3,872	\$ (351)	\$ 3,171
110-Dredging Management	\$ 28	\$ 5	\$ 554	\$ 234	\$ 567
111-Harbormaster	\$ 183	\$ (114)	\$ 882	\$ (118)	\$ 917
112-Mobile Middle Bay Port	\$ 131	\$ 1	\$ 1,344	\$ 186	\$ 1,451
Inland Docks	\$ 8	\$ 3	\$ 71	\$ 49	\$ 432
EARNINGS BEFORE DEP RE & BOND INT EXP	\$ 3,143	\$ 130	\$ 50,932	\$ 16,850	\$ 32,269
LESS BOND INT EXP	\$ 1,209	\$ 24	\$ 13,290	\$ 257	\$ 14,087
NET EARNINGS AFTER BOND INT EXP	\$ 1,934	\$ 155	\$ 37,642	\$ 17,107	\$ 18,182
LESS DEPRECIATION	\$ 2,499	\$ (222)	\$ 26,031	\$ (986)	\$ 25,166
NET EARNINGS AFTER DEP RE & BOND INT EXP	\$ (565)	\$ (67)	\$ 11,611	\$ 16,121	\$ (6,984)
INVESTMENT INCOME	\$ 2	\$ (2)	\$ 50	\$ 4	\$ 538
CHANGE IN FAIR VALUE OF INTEREST RATE SWAP	\$ -	\$ (40)	\$ 171	\$ (269)	\$ 454
BOND PREMIUM INCOME	\$ 69	\$ -	\$ 761	\$ -	\$ 1,021
INTEREST EXPENSE	\$ (26)	\$ -	\$ (282)	\$ -	\$ (282)
INTEREST RATE SWAP EXPENSE	\$ (35)	\$ 0	\$ (387)	\$ 6	\$ (670)
OTHER INC OR (EXP)	\$ (2)	\$ (1)	\$ 1,473	\$ 1,064	\$ 5,173
TOTAL NET EARNINGS	\$ (556)	\$ (110)	\$ 13,397	\$ 16,926	\$ (749)