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| <p>STANDARD PROCEDURE</p> <p>Hillsborough County Aviation Authority</p> | <p>Number: <u> S430.01 </u></p> <p>Effective: <u> 05/22/80 </u></p> <p>Revised: <u> 08/30/02 </u></p> <p>Page: <u> 1 </u> of <u> 5 </u></p> |
| <p>SUBJECT: PROCEDURES FOR ESTABLISHING BUDGET AND BUDGET AMENDMENTS</p> | |

PURPOSE: To establish procedures for the development and preparation of revenues, expenses and capital cost estimates required in the management, operation and maintenance of all airports owned and/or controlled by the Authority.

GENERAL: This procedure will be confined to the preparation of a budget for revenues, expenses, capital equipment, capital programs and budget amendments for annual operations. Operating and capital requirements will be estimated on a realistic, economical and factual basis.

A. Definitions

Budget Period – The period of time for which the cost estimate is prepared. The budget period is a 12-month period beginning October 1 of a given year and ending on September 30 of the following year.

Budget Calendar – A management directive, including any applicable instructions and parameters, requiring responsible departments to prepare and submit budget estimates. Normally the budget calendar will be issued in April of each year, instructing those responsible parties concerned with preparation and submission of budget estimates for the next budget period.

Capital Expenditure – An expenditure which results in the acquisition of or addition to a fixed asset. For the purpose of this definition, a capital expenditure item shall be one for which the cost is \$750 or more and has a life expectancy of more than one year.

Capital Equipment – A capital expenditure for tangible personal property, such as vehicles, office furniture, personal computers and personal computer software.

Capital Programs – Expenditures for the construction, renovation or acquisition of capital assets, such as land, runways, taxiways, buildings, building improvements and major computer systems.

B. Responsibilities

1. Executive Director – Approves budget parameters and criteria. Makes final

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recommendations of annual budgets and budget amendments to the Board.

2. Deputy Executive Director - Directs the planning, organization and management of the budget process, and establishes budget parameters. Reviews budget estimates, supporting justification and comparative information.
3. Development Committee - Reviews and recommends the inclusion of capital programs in the annual budget.
4. Directors - Submit, as requested by the budget calendar, estimated requirements and justification for personnel and for operating expenses. Each director's budget request is reviewed by their senior level executive prior to submission to Finance.
5. Director of Finance - Oversees the establishment of the budget calendar and development of cost and activity growth parameters. Reviews the compiled budget summary schedules.
6. Budget Manager - Develops the budget calendar, instruction procedures and format for the preparation of cost estimates.

Defines ground rules and instructions, and provides technical assistance and advice to departments on the preparation of cost estimates.

Analyzes prior expenditures for use in the evaluation of estimates and in the establishment of cost and allocation factors for estimating purposes.

Reviews and evaluates estimates, verifies mathematical computations, and prepares comparative summaries with components and recommendations for management review, consideration and approval.

Accomplishes revisions as directed by the Director of Finance, Deputy Executive Director and the Executive Director.

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Consolidates individual requests into one summary financial plan for submission to the Board, following final approval by the Executive Director.

Furnishes budget reports to the various directors as directed by the Director of Finance, Deputy Executive Director and Executive Director.

7. Financial Reporting Manager and Representative from Properties - Analyze actual revenues and forecast revenue impact for budget projections and prepare revenue budget.

PROCEDURE: All budget estimates will be submitted on the forms provided and in accordance with the dates established in the budget calendar.

Separate estimates will be prepared for each cost center within each department in accordance with the established chart of accounts.

Operating requirements will be evaluated periodically, and in advance of preparation of budget estimates, by Finance in coordination with the department responsible for submission of the operating and capital budget.

The budget calendar will be issued by the Budget Manager, under the direction of the Director of Finance, Deputy Executive Director and Executive Director, establishing cost estimate due dates and outlining the method of computing and justifying requirements, pertinent cost factors and specific information relative to format

A. Preparation of Estimates of Responsible Departments

1. Budget estimates will be prepared, after development of work programs, by responsible departments. Estimates will be prepared on appropriate forms and within the time frame specified in the budget calendar instructions.
2. Cost estimates will be accompanied by a general statement outlining in concise language major achievements, special objectives or goals, construction and

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operating schedules and a brief explanation of the estimate, pointing out any unusual requirements or changes of mission.

3. Department estimates and required statements will be forwarded to the Budget Manager by the established deadline date.

B. Cost Estimate Review and Approval of Budget Estimate (listed in order of event)

1. Budget Preparation – The Budget Manager will review, edit, audit and evaluate component cost estimates and prepare comparative summaries, by cost center of expenses, with comments and recommendations for review by the Director of Finance, Deputy Executive Director and Executive Director.
2. Revenue reviews and forecasts are conducted based on the actual year-to-date revenue data and estimated passenger growth rate. The Financial Reporting Manager and the Properties representative will prepare a draft of the revenue projections, and revise the revenue budget as directed by the Executive Director, Deputy Executive Director, and the Director of Finance.
3. The Director of Finance, Deputy Executive Director and Executive Director will review the budget estimates, budget schedules, and supporting justification for approval and establish estimate revisions resulting from such review. The Deputy Executive Director will schedule departmental budget review meetings as required.
4. The Budget Manager will incorporate revisions into the proposed budget. After approval by the Deputy Executive Director and Executive Director, the proposed budget will be distributed to the airport consultant and signatory airlines.
5. The airport consultant will provide the Authority with recommendations relating to the proposed budget as required under Section 7.10 of the Trust Agreement. The Executive Director and Deputy Executive Director will meet with the signatory airlines, allowing the airlines an opportunity to comment on the proposed budget, as provided for under Section 8.01 of the Airline-Airport Use

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and Lease Agreement.

6. The Executive Director will submit the proposed budget to the Board for its approval. The Director of Finance will submit the final approved budget to the county clerk. After final approval of the budget, the Director of Human Resources will submit the annual salaries of executive level positions and the salary schedule for classified employees to civil service.

APPROVED: /s/ Louis E. Miller

DATE: 08/30/02