

**NOTICE OF A REGULAR MEETING OF
THE FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

PLEASE TAKE NOTICE that a regular meeting of the Friedman Memorial Airport Authority shall be held Tuesday, January 7, 2020 at 5:30 p.m. at the old Blaine County Courthouse Meeting Room Hailey, Idaho. All matters shall be considered Joint Decision Matters unless otherwise noted. The proposed Agenda for the meeting is as follows:

**REVISED AGENDA
January 7, 2020**

- I. APPROVE AGENDA – ACTION ITEM**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. December 3, 2019 Regular Meeting – Motion to Approve – Attachment #1 ACTION ITEM**
- IV. REPORTS**
 - A. Chairman Report
 - B. Blaine County Report
 - C. City of Hailey Report
 - D. Fly Sun Valley Alliance Report
 - E. Airport Manager Report
- V. AIRPORT STAFF BRIEF (5 Minutes Allotted)**
 - A. Noise Complaints in December
 - B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data – **Attachment #2 - #4**
 - C. Airport Commercial Flight Interruptions (unofficial)
 - D. Review Correspondence
- VI. ACTION ITEMS (a vote may occur but is not required to be taken)**
 - A. NEW BUSINESS**
 - 1. Annual Audit of Acceptance of FMAA Financial Statements and Other Financial Information – Year Ended September 30, 2019 – **Attachment #5 ACTION ITEM**
 - 2. Consideration of February Meeting Date Change **ACTION ITEM**
 - B. CONTINUING BUSINESS**
 - 1. None
- VII. DISCUSSION AND UPDATES**
 - A. NEW BUSINESS**
 - 1. Terminal Area Plan – Review and Discussion of Draft Scope of Work – **Attachment #6**
 - B. CONTINUING BUSINESS**
 - 1. Construction and Capital Projects
 - i. Parking Lot Improvements Discussion
 - 2. Airport Planning Projects
 - i. Air Traffic Control Tower Relocation - Update
 - 3. Miscellaneous
 - i. Parking Lot Automation Discussion
 - ii. Revised Employee Handbook
- VIII. PUBLIC COMMENT**
- IX. EXECUTIVE SESSION**
 - I.C. §74-206 (1),(c) To acquire an interest in real property which is not owned by a public agency**
 - I.C. §74-206 (1),(f) To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated**
- X. ADJOURNMENT**

III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:

A. December 3, 2019 Regular Meeting – Motion to Approve - **Attachment #1 ACTION ITEM**

IV. REPORTS

A. Chairman Report

This item is on the agenda to permit a Chairman report if appropriate.

B. Blaine County Report

This item is on the agenda to permit a County report if appropriate.

C. City of Hailey Report

This item is on the agenda to permit a City report if appropriate.

D. Fly Sun Valley Alliance Report

This item is on the agenda to permit a report if appropriate.

E. Airport Manager Report

This item is on the agenda to permit an Airport Manager report if appropriate.

V. AIRPORT STAFF BRIEF - (5 Minutes Allotted)

A. Noise Complaints in December 2019

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT	ACTION/RESPONSE
Bellevue	12/18/2019	9:55 a.m.	Jet	Military Helicopters very low and loud shaking the house as they flew by.	Bellevue resident contacted The Airport Manager via email with her concerns. The Airport Manager responded back explaining the situations in more detail.
Bellevue	12/21/2019	3:34 p.m.	Jet	The caller left a voicemail for the Airport Manager complaining about a jet landing very low. Also wanted to know what number to call to make noise complaints in the future.	The Operations Manager returned the phone call. He also provided the caller with information regarding future noise complaints.

B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data - Attachments #2- #4

Attachment #2 is Friedman Memorial Airport Profit & Loss Budget vs. Actual (unaudited)

Attachment #3 is 2001 - 2019 ATCT Traffic Operations data comparison by month

Attachment #4 is 2019 Enplanement, Deplanement and Seat Occupancy data

The following revenue and expense analysis is provided for Board information and review:

October 2019		
Total Non-Federal Revenue	October, 2019	\$382,708.03
Total Non-Federal Revenue	October, 2018	\$398,587.17
Total Non-Federal Revenue	FY '20 thru October	\$382,708.03
Total Non-Federal Revenue	FY '19 thru October	\$398,587.17
Total Non-Federal Expenses	October, 2019	\$426,268.78
Total Non-Federal Expenses	October, 2018	\$317,407.22
Total Non-Federal Expenses	FY '20 thru October	\$426,268.78
Total Non-Federal Expenses	FY '19 thru October	\$317,407.22
Net Income excluding Federal Programs	FY '20 thru October	-\$43,560.75
Net Income excluding Federal Programs	FY '19 thru October	\$81,179.95
Net Income to include Federal Programs	FY '20 thru October	-\$183,545.49
Net Income to include Federal Programs	FY '19 thru October	\$268,699.00

C. Airport Commercial Flight Interruptions (unofficial):

AIRLINE	FLIGHT CANCELLATIONS	FLIGHT DIVERSIONS
December 1, 2019 through December 31, 2019		
Alaska Airlines	1	1
Delta	None	27
United	2	15

D. Review Correspondence

None

VI. ACTION ITEMS (a vote may occur but is not required to be taken)

A. NEW BUSINESS

1. Annual Audit of Acceptance of FMAA Financial Statements and Other Financial Information – Year Ended September 30, 2019 – **Attachment #5 - ACTION ITEM**

Rexroat, Harberd & Associates prepared the financial statements and Harris & Company completed the audit. Ms. Laurie Harberd from Rexroat, Harberd & Associates and Mr. Josh Tyree from Harris & Company will attend the meeting to present the financial statements and results of the audit and will be available to answer any questions the Board may have.

Action requested: Consider Motion to Approve Draft Financial Statements and direct Staff/Auditor to finalize for distribution to appropriate government agencies.

B. CONTINUING BUSINESS

1. None

VII. DISCUSSION AND UPDATES

A. NEW BUSINESS

1. Terminal Area Plan – Review and Discussion of Draft Scope of Work – **Attachment #6**

The Terminal Area Plan draft Scope of Work has been submitted by our consultant. The draft is included as **Attachment #6**. The draft scope reflects significant input and coordination from Staff and the FAA. Staff is not asking for approval of the scope at this meeting rather, Staff is expecting discussion, including summary of next steps and the opportunity for the Board to ask questions. Request for approval of scope and fee is anticipated at the February meeting.

B. CONTINUING BUSINESS

1. Construction and Capital Projects

- i. Parking Lot Improvements Discussion

As our air service continues to grow, demand on our existing facilities is also increasing, including the parking lot. As discussed as part of the parking lot fee increase discussion at the December 2019 FMAA meeting, the potential expansion of the parking lot was identified as a key capital improvement project to help meet current and projected demand. Staff would like to have a discussion with the Board to discuss this improvement option and potential next steps. Assisting with the discussion will The Car Park, and our parking management consultant, Chris Johnson.

2. Airport Planning Projects

i. Air Traffic Control Tower Relocation - Update

Coordination between the Board Chairman, Staff, our consultant William E. Payne and Associates, and the FAA, regarding SUN's opportunities to gain Pilot Program status in the FAA's Remote Tower Program continue. Coordination also continues with our Congressional Delegation. Most recently, a letter was sent to the FAA's NextGen Office in Washington DC, stating our continued interest in the program. The Board Chairman and Staff will provide an update to the Board on current status and next steps at the meeting.

3. Miscellaneous

i. Parking Lot Automation Discussion

This discussion will be a continuation from the December meeting. As requested by the Board, representatives from The Car Park as well as Chris Johnson, will be in attendance to discuss the particulars of automation.

As a reminder, after several months of operating the parking lot under our new(er) parking lot management structure and with new equipment, The Car Park and Staff have gained a better understanding of our operational needs and capabilities to accommodate our current and anticipated growing demand. Moving forward, additional efficiencies and enhanced customer service are possible with a move toward automation. Staff feels a continued discussion and input from the Board regarding parking lot automation is appropriate.

ii. Revised Employee Handbook

Staff continues to work with airport counsel and the Employee Handbook Committee to complete a final draft of the new handbook. Airport counsel will provide an update to the Board as to progress and next steps to complete the document.

VIII. PUBLIC COMMENT

- IX. EXECUTIVE SESSION - I.C. §74-206 (c)** To acquire an interest in real property which is not owned by a public agency
I.C. §74-206 (f) To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated

X. ADJOURNMENT

**MINUTES OF A REGULAR MEETING
OF THE
FRIEDMAN MEMORIAL AIRPORT AUTHORITY***
December 3, 2019
5:30 P.M.

IN ATTENDANCE: **BOARD MEMBERS:** Chairman – Jacob Greenberg, Vice-Chairman – Don Keirn, Ron Fairfax - Treasure, Board Members - Fritz Haemmerle, Patrick Cooley, and Dick Fosbury
FRIEDMAN MEMORIAL AIRPORT STAFF: Airport Manager – Chris Pomeroy, Contracts/Finance Administrator – Lisa Emerick, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Airport Operations Manager – Todd Emerick; Airport Administrative Coordinators – Sue Heaphy & Jenna Elliott
CONSULTANTS: T-O Engineers –Nathan Cuvala, Centerlyne – Candice Crew
AIRPORT LEGAL COUNSEL: Lawson Laski Clark & Pogue, PLLC – Jim Laski
AIRPORT TENANTS/PUBLIC: Atlantic Aviation – Brian Blackburn, Hertz - Dakotah Dayton
PRESS: Idaho Mountain Express – Alejandra Buitrago

CALL TO ORDER: The meeting was called to order at 5:30 p.m. by Chairman Greenberg.

I. APPROVE AGENDA The agenda was approved as presented.

II. PUBLIC COMMENT No Public Comment.

III. APPROVE FMAA MEETING MINUTES

A. November 5, 2019 Regular Meeting Minutes Attachment #1

MOTION: *Made by Board Member Cooley to approve the October 1, 2019 Regular Meeting Minutes as amended. Seconded by Board Vice-Chairman Keirn.*

PASSED UNANIMOUSLY

IV. REPORTS

- A. Chairman Report
No report was given.
- B. Blaine County Report
No report was given.
- C. City of Hailey Report
No report was given.
- D. Fly Sun Valley Alliance Report
There was a brief Board discussion regarding seats available report showing a downward trend of 3-4%. The Airport Board Chairman mentioned this was discussed at the last Fly Sun Valley Alliance meeting and the reason for the reduction is due to fewer flights.
- E. Airport Manager Report (see Power Point Presentation)
 - Airport Manager Pomeroy reported the acquisition of 64.21 acres of new RPZ land on the south end of the airport has been completed. He also reported Alpine Tree Service completed Phase 2 of the obstruction removal (trees). Airport Attorney, Laski commented the land is under a year-to-year lease back to the previous landowner to continue agricultural operations.

Board Member Fairfax asked if the perimeter fence will be extended. Airport

Manager Pomeroy reported the fence relocation is pending available funding.

- Airport Manager Pomeroy reported the parking lot reached capacity on Tuesday, November 26th, during the Thanksgiving holiday. FMA was very proactive with community outreach efforts using website updates and social media. The Car Park assisted by relocating employee parking and implementing overflow parking.
- Airport Manager Pomeroy reported the SUN Airport Artist's Reception was held at the Terminal on November 21st. The event was very well attended and included a great rotation of artwork.
- Airport Manager Pomeroy reported the Airport Holiday Party will be held December 12th at the Airport Terminal at 6:00 p.m.
- Airport Manager Pomeroy reported the following is "On the Horizon":
 - Auditors Report
 - Employee Handbook
 - Air Traffic Tower effort update
 - Finance Committee Meeting

V. AIRPORT STAFF BRIEF

- A. Noise Complaints (See Brief)
- B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data (See Attachment #2-#4)
- C. Airport Commercial Flight Interruptions (See Brief)
- D. Review Correspondence

VI. ACTION ITEMS

- A. NEW BUSINESS (See Brief & Power Point)

1. None

- B. CONTINUING BUSINESS

- 1. Consideration of Parking Lot Fee Increase ACTION ITEM

Airport Manager Pomeroy reviewed the current airport parking rate structure, regional rate review, and proposed rate adjustment review summary. As requested by the Board, Airport Manager Pomeroy presented parking lot maintenance and improvement cost estimates. T-O Engineers, Nathan Cuvala, reported on the current condition of airport parking lot and provided further explanation on cost estimates reported by Airport Manager Pomeroy. Improvement estimates include an auxiliary lot adjacent to The Car Park exit booth.

The Board discussed details on parking rate options and the expense related to proposed improvements. The Board discussed the need to adopt increased parking fees with the understanding, even with the increases, the additional funds collected will not provide adequate funds to pay for the improvements.

MOTION:

Made by Board Member Haemmerle to approve the rate structure for the proposed \$2.00 all day increase to begin January 1, 2020. Seconded by Board Member Fosbury.

PASSED UNANIMOUSLY

VII. DISCUSSION AND UPDATES

- A. NEW BUSINESS

- 1. **Parking Lot Management - Automation**

Lisa Emerick, Friedman Airport Contract and Finance Manager, reported that she has been working with the FMA parking lot consultant Chris Johnson, CA Johnson Consulting and The Car Park management team to transition to a fully automated parking lot. Emerick indicated that the automation will initially include eliminating cash transactions and utilize the new equipment purchased during the parking lot reconstruction project. She explained that this would

allow the Car Park staff to be re-assigned to a more assistance-based role in order to provide more customer service around the terminal and parking areas. The Car Park is prepared to go cashless starting April 1, 2020 pending board review and approval. This transition would include a large outreach program to the public to educate and inform of these changes.

Board discussed the transition to full automation and going to a cashless system. Backup systems are in place for customers that do not have debit/credit cards by simply pushing the help button at the exit gate or a Car Park Staff will be on site to assist. Board Member Haemmerle expressed that he does agree with not having a cash option. After further discussion, staff was directed to collect and be able to provide additional data on the benefits and possible impacts of automation.

B. CONTINUING BUSINESS

1. Construction and Capital Project

- i. None

2. Airport Planning Projects

- i. Instrument Approach Improvements Update

Airport Manager Pomeroy reported SkyWest tested the new landing approach on Saturday, November 9th. He was onboard the flight, and all test approaches were very successful. The next step is obtaining final FAA approval.

- ii. Terminal Area Study Update

Airport Manager Pomeroy reported he is still working with FAA and Mead & Hunt on the draft Scope of Work.

3. Miscellaneous

- i. None

VIII. PUBLIC COMMENT

No public comment was made.

IX. ADJOURNMENT

The December 3, 2019 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at approximately 6:17 p.m.

Angenie McCleary, Secretary

* *Additional resources/materials that should be reviewed with these meeting minutes include but are not limited to the Friedman Memorial Airport Authority Board Packet briefing, the PowerPoint presentation prepared for this meeting and any referenced attachments.*

4:02 PM

12/30/19

Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000-00 · AIRCARRIER				
4000-01 · Aircarrier - Lease Space	29,538.18	29,166.00	372.18	101.3%
4000-02 · Aircarrier - Landing Fees	13,079.36	13,000.00	79.36	100.6%
4000-04 · Aircarrier - Utility Fees	30.00	0.00	30.00	100.0%
4010-07 · Aircarrier - '14 PFC App	104.48	33,000.00	-32,895.52	0.3%
Total 4000-00 · AIRCARRIER	42,752.02	75,166.00	-32,413.98	56.9%
4020-00 · TERMINAL AUTO PARKING REVENUE				
4020-01 · Automobile Parking - Terminal	45,463.00	47,000.00	-1,537.00	96.7%
Total 4020-00 · TERMINAL AUTO PARKING REVENUE	45,463.00	47,000.00	-1,537.00	96.7%
4030-00 · AUTO RENTAL REVENUE				
4030-01 · Automobile Rental - Commission	23,810.08	25,000.00	-1,189.92	95.2%
4030-02 · Automobile Rental - Lease Space	2,419.16	2,425.00	-5.84	99.8%
4030-03 · Automobile Rental - Auto Prkng	5,183.50	28,250.00	-23,066.50	18.3%
4030-04 · Automobile Rental - Utilities	0.00	625.00	-625.00	0.0%
Total 4030-00 · AUTO RENTAL REVENUE	31,412.74	56,300.00	-24,887.26	55.8%
4040-00 · TERMINAL CONCESSION REVENUE				
4040-01 · Terminal Shops - Commission	632.18	650.00	-17.82	97.3%
4040-03 · Terminal Shops - Utility Fees	0.00	0.00	0.00	0.0%
4040-10 · Advertising - Commission	3,457.50	2,500.00	957.50	138.3%
4040-11 · Vending Machines - Commission	597.00	1,500.00	-903.00	39.8%
4040-12 · Terminal ATM	75.00	75.00	0.00	100.0%
Total 4040-00 · TERMINAL CONCESSION REVENUE	4,761.68	4,725.00	36.68	100.8%
4050-00 · FBO REVENUE				
4050-01 · FBO - Lease Space	40,475.40	39,975.00	500.40	101.3%
4050-02 · FBO - Tiedown Fees	10,936.98	15,000.00	-4,063.02	72.9%
4050-03 · FBO - Landing Fees - Trans.	17,630.89	20,000.00	-2,369.11	88.2%
4050-04 · FBO - Commission	1,857.04	1,000.00	857.04	185.7%
4050-07 · FBO - Miscellaneous	0.00	0.00	0.00	0.0%
Total 4050-00 · FBO REVENUE	70,900.31	75,975.00	-5,074.69	93.3%
4060-00 · FUEL FLOWAGE REVENUE				
4060-01 · Fuel Flowage - FBO	5,506.23	20,000.00	-14,493.77	27.5%
Total 4060-00 · FUEL FLOWAGE REVENUE	5,506.23	20,000.00	-14,493.77	27.5%
4070-00 · TRANSIENT LANDING FEES REVENUE				
4070-02 · Landing Fees - Non-Comm./Gov't	203.19	0.00	203.19	100.0%
Total 4070-00 · TRANSIENT LANDING FEES REVENUE	203.19	0.00	203.19	100.0%

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12/30/19

Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
4080-00 · HANGAR REVENUE				
4080-01 · Land Lease - Hangar	141,604.30	168,453.75	-26,849.45	84.1%
4080-02 · Land Lease - Hangar/Trans. Fee	3,901.25	0.00	3,901.25	100.0%
4080-03 · Hangar/Utilities (E8,11,24)	0.00	0.00	0.00	0.0%
4080-04 · Land Lease - Lease Equalization	535.84			
4080-05 · Land Lease - FMA Hangar Rentals	7,970.63	8,156.25	-185.62	97.7%
Total 4080-00 · HANGAR REVENUE	154,012.02	176,610.00	-22,597.98	87.2%
4090-00 · TIEDOWN PERMIT FEES REVENUE				
4090-01 · Tiedown Permit Fees (FMA)	1,204.43	0.00	1,204.43	100.0%
Total 4090-00 · TIEDOWN PERMIT FEES REVENUE	1,204.43	0.00	1,204.43	100.0%
4100-00 · CARGO CARRIERS REVENUE				
4100-01 · Cargo Carriers - Landing Fees	1,665.52	1,000.00	665.52	166.6%
4100-02 · Cargo Carriers - Tiedown	123.75	3,000.00	-2,876.25	4.1%
Total 4100-00 · CARGO CARRIERS REVENUE	1,789.27	4,000.00	-2,210.73	44.7%
4110-00 · MISCELLANEOUS REVENUE				
4110-01 · Misc. Revenue	0.00	0.00	0.00	0.0%
4110-05 · Misc. Incident/Accident	0.00	0.00	0.00	0.0%
4110-09 · Miscellaneous Expense Reimburse	0.00	0.00	0.00	0.0%
Total 4110-00 · MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.0%
4120-00 · GROUND TRANSP. PERMIT REVENUE				
4120-01 · Ground Transportation Permit	100.00	0.00	100.00	100.0%
4120-02 · GTSP - Trip Fee	420.00	416.00	4.00	101.0%
Total 4120-00 · GROUND TRANSP. PERMIT REVENUE	520.00	416.00	104.00	125.0%
4400-00 · TSA/SECURITY				
4400-02 · Terminal Lease	3,363.75	3,365.00	-1.25	100.0%
4400-03 · Security Prox. Cards	17,820.00	15,000.00	2,820.00	118.8%
Total 4400-00 · TSA/SECURITY	21,183.75	18,365.00	2,818.75	115.3%
4500-00 · IDAHO STATE GRANT PROGRAM REV.				
4500-18 · SUN-18 SKW E-175 Certification	0.00	0.00	0.00	0.0%
4500-19 · SUN-19 AIP Sponsor Match	0.00	0.00	0.00	0.0%
Total 4500-00 · IDAHO STATE GRANT PROGRAM REV.	0.00	0.00	0.00	0.0%
4510-00 · DOT/Small Community Air Service				
4510-01 · Small Community Air Service	0.00	0.00	0.00	0.0%
4510-02 · Local Match Contribution	0.00	0.00	0.00	0.0%
Total 4510-00 · DOT/Small Community Air Service	0.00	0.00	0.00	0.0%

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12/30/19

Accrual Basis

**Friedman Memorial Airport
Profit & Loss Budget vs. Actual (COMBINED '20)**

	Oct 19	Budget	\$ Over Budget	% of Budget
4520-00 · INTEREST REVENUE				
4520-01 · Interest Revenue - General	3,103.87	3,750.00	-646.13	82.8%
4520-07 · Interest Revenue - '14 PFC	3.29	0.00	3.29	100.0%
4520-08 · Finance Fee Revenue	0.00	0.00	0.00	0.0%
Total 4520-00 · INTEREST REVENUE	3,107.16	3,750.00	-642.84	82.9%
4742-00 · AIP 42 - Project Air Carr. Apr				
4742-01 · AIP '42 Air Carr. Apron	0.00	0.00	0.00	0.0%
Total 4742-00 · AIP 42 - Project Air Carr. Apr	0.00	0.00	0.00	0.0%
4743-00 · AIP 43 - Air Carrier /Pkg. Lot				
4743-01 · AIP 43 - Air Carrier/Pkg. Lot	0.00	0.00	0.00	0.0%
Total 4743-00 · AIP 43 - Air Carrier /Pkg. Lot	0.00	0.00	0.00	0.0%
4744-00 · AIP '44 RPZ Acquisition EA	0.00	0.00	0.00	0.0%
4745-00 · AIP '45 Terminal Apron Expan				
4745-02 · AIP '45 Expand AC Apr	0.00	0.00	0.00	0.0%
4745-01 · AIP '45 Terminal Apron Expan	0.00	0.00	0.00	0.0%
Total 4745-00 · AIP '45 Terminal Apron Expan	0.00	0.00	0.00	0.0%
4746-00 · AIP '46 Acquire SRE ARFF				
4746-01 · AIP '46 Acquire SRE ARFF	0.00	0.00	0.00	0.0%
4746-00 · AIP '46 Acquire SRE ARFF - Other	0.00	0.00	0.00	0.0%
Total 4746-00 · AIP '46 Acquire SRE ARFF	0.00	0.00	0.00	0.0%
4747-00 · AIP '47 - Acq.SRE/ARFF, Obs.Rem				
4747-01 · AIP '47-Acq.SRE/ARFF&Obs. Remov	0.00	0.00	0.00	0.0%
Total 4747-00 · AIP '47 - Acq.SRE/ARFF, Obs.Rem	0.00	0.00	0.00	0.0%
4748-00 · AIP '48 Land Acquisition				
4748-01 · AIP '48 Land Acquisition	0.00	0.00	0.00	0.0%
Total 4748-00 · AIP '48 Land Acquisition	0.00	0.00	0.00	0.0%
Total Income	382,815.80	482,307.00	-99,491.20	79.4%
Gross Profit	382,815.80	482,307.00	-99,491.20	79.4%

4:02 PM

12/30/19

Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

Expense	Oct 19	Budget	\$ Over Budget	% of Budget
EXPENDITURES				
"A" EXPENSES				
5000-01 · Salaries - Airport Manager	12,938.84	13,130.04	-191.20	98.5%
5000-02 · Salaries - Assist. Airpt. Manag	0.00	0.00	0.00	0.0%
5010-00 · Salaries -Contracts/Finance Adm	10,408.76	9,417.52	991.24	110.5%
5010-01 · Salaries - Office Assist.	9,833.20	17,083.33	-7,250.13	57.6%
5010-02 · Salaries - Public Info Officer	0.00	0.00	0.00	0.0%
5020-00 · Salaries - ARFF/OPS Manager	9,117.34	9,116.88	0.46	100.0%
5030-00 · Salaries - ARFF/OPS Specialist	38,510.50	37,386.75	1,123.75	103.0%
5040-00 · Salaries-ASC/Sp.Prjct./Ex. Assl	7,680.65	7,013.91	666.74	109.5%
5050-00 · Salaries-Seasonal-Snow Removal	1,156.00	0.00	1,156.00	100.0%
5050-01 · Salaries - Seasonal - Arpt Host	0.00	0.00	0.00	0.0%
5050-02 · Salaries - Merit Increase	0.00	3,718.65	-3,718.65	0.0%
5060-01 · Overtime - General	0.00	0.00	0.00	0.0%
5060-02 · Overtime - Snow Removal	0.00	0.00	0.00	0.0%
5060-04 · OT - Security	0.00	0.00	0.00	0.0%
5100-00 · Retirement	9,693.02	11,747.80	-2,054.78	82.5%
5110-00 · Social Security/Medicare	6,624.50	7,740.80	-1,116.30	85.6%
5120-00 · Life Insurance	180.96	166.67	14.29	108.6%
5130-00 · Medical Insurance	15,824.61	18,375.00	-2,550.39	86.1%
5160-00 · Workman's Compensation	0.00	1,666.66	-1,666.66	0.0%
5170-00 · Unemployment Claims	177.46	0.00	177.46	100.0%
Total "A" EXPENSES	122,145.84	136,564.01	-14,418.17	89.4%
"B" EXPENDITURES				
"B" EXPENSES - ADMINISTRATIVE				
6000-00 · TRAVEL EXPENSE				
6000-01 · Travel	1,702.16	0.00	1,702.16	100.0%
Total 6000-00 · TRAVEL EXPENSE	1,702.16	0.00	1,702.16	100.0%
6010-00 · SUPPLIES/EQUIPMENT EXPENSE				
6010-01 · Supplies - Office	935.63	916.00	19.63	102.1%
6010-02 · Supplies - Parking	0.00	0.00	0.00	0.0%
6010-03 · Supplies - Computer	0.00	1,083.00	-1,083.00	0.0%
Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE	935.63	1,999.00	-1,063.37	46.8%
6020-00 · INSURANCE				
6020-01 · Insurance -	26,628.50	55,000.00	-28,371.50	48.4%
Total 6020-00 · INSURANCE	26,628.50	55,000.00	-28,371.50	48.4%

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
6030-00 · UTILITIES				
6030-01 · Utilities - Gas/Terminal	1,175.00	1,666.00	-491.00	70.5%
6030-02 · Utilities - Gas/AOB & Cold Stor	317.00	791.00	-474.00	40.1%
6030-03 · Utilities - Elect./Runway&PAPI	408.31	683.00	-274.69	59.8%
6030-04 · Utilities - Elec./AOB & Cold St	562.20	791.00	-228.80	71.1%
6030-05 · Utilities - Electric/Terminal	2,778.88	3,000.00	-221.12	92.6%
6030-06 · Utilities - Telephone	2,305.95	1,375.00	930.95	167.7%
6030-07 · Utilities - Water	771.12	1,400.00	-628.88	55.1%
6030-08 · Utilities - Garbage Removal	1,378.63	1,000.00	378.63	137.9%
6030-09 · Utilities - Sewer	63.32	333.00	-269.68	19.0%
6030-11 · Utilities - Electric/Tower	404.15	400.00	4.15	101.0%
6030-12 · Utilities - Elec./Brdfrd.Hghl	0.00	41.00	-41.00	0.0%
6030-13 · Utilities - Elec. Exit Booth	156.58	200.00	-43.42	78.3%
6030-15 · Utilities - Elec./AWOS	265.68	275.00	-9.32	96.6%
6030-16 · Utilities - Elec. Wind Cone	9.88	12.50	-2.62	79.0%
6030-17 · Utilities - Elec./Gas- Hangar	218.01	300.00	-81.99	72.7%
6030-18 · Utilities - Lubricant Wst. Dspl	0.00	41.66	-41.66	0.0%
Total 6030-00 · UTILITIES	10,814.71	12,309.16	-1,494.45	87.9%
6040-00 · SERVICE PROVIDER				
6040-01 · Service Provider - General	0.00	0.00	0.00	0.0%
6040-02 · Service Provider - Term. Serv.	116.98	625.00	-508.02	18.7%
6040-03 · Service Provider - AOB Services	4,156.50	3,350.00	806.50	124.1%
6040-04 · Service Provider - Operations	13,350.00	14,700.00	-1,350.00	90.8%
Total 6040-00 · SERVICE PROVIDER	17,623.48	18,675.00	-1,051.52	94.4%
6050-00 · PROFESSIONAL SERVICES				
6050-01 · Professional Services - Legal	5,402.00	4,166.00	1,236.00	129.7%
6050-02 · Professional Serv. - Audit/Fina	2,240.00	0.00	2,240.00	100.0%
6050-03 · Professional Services - Engineer	0.00	2,080.00	-2,080.00	0.0%
6050-05 · Professional Services - Gen.	5,728.90	833.00	4,895.90	687.7%
6050-10 · Prof. Svcs.-IT/Comp. Support	1,362.75	1,250.00	112.75	109.0%
6050-12 · Prof. Serv.- Planning Air Serv.	0.00	0.00	0.00	0.0%
6050-13 · Prof. Serv.-Website Des.& Maint	130.00	333.00	-203.00	39.0%
6050-15 · Prof. Serv.-Comm.Coord/Pub.Outr	450.00	3,083.00	-2,633.00	14.6%
6050-17 · Prof. Serv. - Airspace Consult.	0.00	0.00	0.00	0.0%
6050-19 · Prof. Serv.-ATCT Relocation	0.00	0.00	0.00	0.0%
Total 6050-00 · PROFESSIONAL SERVICES	15,313.65	11,745.00	3,568.65	130.4%
6060-00 · MAINTENANCE-OFFICE EQUIPMENT				
6060-01 · Maint.-Office Equip./Gen.	0.00	0.00	0.00	0.0%
6060-04 · Maintenance - Copier	98.60	166.00	-67.40	59.4%
6060-05 · Maintenance - Phone	0.00	104.00	-104.00	0.0%
Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT	98.60	270.00	-171.40	36.5%

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Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
6070-00 · RENT/LEASE OFFICE EQUIPMENT				
6070-02 · Rent/Lease - Postage Meter	0.00	100.00	-100.00	0.0%
Total 6070-00 · RENT/LEASE OFFICE EQUIPMENT	0.00	100.00	-100.00	0.0%
6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E				
6080-01 · Dues/Memberships	1,199.87	500.00	699.87	240.0%
6080-04 · Publications	0.00	416.00	-416.00	0.0%
Total 6080-00 · DUES/MEMBERSHIPS/PUBLICATIO...	1,199.87	916.00	283.87	131.0%
6090-00 · POSTAGE				
6090-01 · Postage/Courier Service	0.00	166.00	-166.00	0.0%
Total 6090-00 · POSTAGE	0.00	166.00	-166.00	0.0%
6100-00 · EDUCATION/TRAINING				
6100-01 · Education/Training - Admin.	448.00	1,250.00	-802.00	35.8%
6100-02 · Education/Training - OPS	0.00	1,250.00	-1,250.00	0.0%
6100-03 · Education/Training - ARFF	7,854.38	1,500.00	6,354.38	523.6%
6100-04 · Ed/Train. - ARFF Trienn. Drill	0.00	625.00	-625.00	0.0%
6100-05 · Education - Noise Abatement	0.00	0.00	0.00	0.0%
6100-06 · Education - Security	0.00	250.00	-250.00	0.0%
6100-07 · ZzZEducation - Public Outrea/C	0.00	0.00	0.00	0.0%
6100-08 · Education/Training - HFD Coop.	0.00	0.00	0.00	0.0%
6100-09 · ZzZEducation - SAAC	0.00	0.00	0.00	0.0%
Total 6100-00 · EDUCATION/TRAINING	8,302.38	4,875.00	3,427.38	170.3%
6101-00 · PUBLIC OUTREACH/COMMUNICATIONS				
6101-01 · Public Outr/Comm - General	5,937.72	2,750.00	3,187.72	215.9%
6101-02 · Public Outr/Comm - Noise Abatem	0.00	125.00	-125.00	0.0%
6101-03 · Public Outr/Comm - SAAC	0.00	0.00	0.00	0.0%
Total 6101-00 · PUBLIC OUTREACH/COMMUNICATI...	5,937.72	2,875.00	3,062.72	206.5%
6110-00 · CONTRACTS				
6110-01 · Contracts - General	0.00	0.00	0.00	0.0%
6110-02 · Contracts - FMAA	3,500.00	3,500.00	0.00	100.0%
6110-03 · Contracts - FBO/Fee Collection	4,900.00	4,908.00	-8.00	99.8%
6110-08 · Contracts - Eccles Tree Lights	0.00	0.00	0.00	0.0%
6110-16 · Contracts - Prkg Mngt Fee/Ops	22,647.44	13,750.00	8,897.44	164.7%
Total 6110-00 · CONTRACTS	31,047.44	22,158.00	8,889.44	140.1%
6120-00 · PERMITS				
6120-01 · Permits - General	0.00	0.00	0.00	0.0%
Total 6120-00 · PERMITS	0.00	0.00	0.00	0.0%

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
6130-00 · MISCELLANEOUS EXPENSES				
6130-01 · Misc. - General	188.76	1,250.00	-1,061.24	15.1%
6130-02 · Misc. - Incident/Accident	0.00	0.00	0.00	0.0%
6140-00 · Bank Fees	1,559.64	1,333.00	226.64	117.0%
6140-01 · Merchant Fees	8.52			
6150-01 · Interest Exp. - Prkg. Lot Equip	402.23	550.00	-147.77	73.1%
6150-02 · Interest Expense	0.00	0.00	0.00	0.0%
Total 6130-00 · MISCELLANEOUS EXPENSES	2,159.15	3,133.00	-973.85	68.9%
6400-00 · DOT/SCASGP				
6400-01 · DOT/SCASGP	0.00	0.00	0.00	0.0%
6400-02 · DOT/SCASGP - FMAA	0.00	0.00	0.00	0.0%
Total 6400-00 · DOT/SCASGP	0.00	0.00	0.00	0.0%
Total "B" EXPENSES - ADMINISTRATIVE	121,763.29	134,221.16	-12,457.87	90.7%
"B" EXPENSES - OPERATIONAL				
6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS				
6500-01 · Supplies/Equipment - General	312.59	416.00	-103.41	75.1%
6500-02 · Supplies/Equipment - Tools	0.00	0.00	0.00	0.0%
6500-03 · Supplies/Equipment - Clothing	0.00	416.00	-416.00	0.0%
6500-04 · Supplies/Equipment - Janitorial	3,611.66	1,666.00	1,945.66	216.8%
Total 6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS	3,924.25	2,498.00	1,426.25	157.1%
6505-00 · EQUIP/VEHICLE - LEASE/RENTAL				
6505-01 · Eq./Vehl Lease/Rental - General	78,100.32	0.00	78,100.32	100.0%
Total 6505-00 · EQUIP/VEHICLE - LEASE/RENTAL	78,100.32	0.00	78,100.32	100.0%
6510-00 · FUEL/LUBRICANTS				
6510-01 · General	0.00	166.00	-166.00	0.0%
6510-02 · Fuel	4,178.29	500.00	3,678.29	835.7%
6510-03 · Lubricants	0.00	0.00	0.00	0.0%
Total 6510-00 · FUEL/LUBRICANTS	4,178.29	666.00	3,512.29	627.4%
6520-00 · VEHICLES/MAINTENANCE				
6520-01 · R/M Equipment - General	662.76	0.00	662.76	100.0%
6520-06 · R/M Equip. - '85 Ford Dump	0.00	0.00	0.00	0.0%
6520-08 · R/M Equip. - '96 Tiger Tractor	37.15	0.00	37.15	100.0%
6520-09 · R/M Equip. - '96 Oshkosh Swp.	19.48	0.00	19.48	100.0%
6520-17 · R/M Equip. '01 Case 921 Ldr.	1,639.94	0.00	1,639.94	100.0%
6520-18 · R/M Equip. - '97 Chevy Blazer	0.00	0.00	0.00	0.0%
6520-19 · R/M Equip. '02 Ford F-150 PU	112.75	0.00	112.75	100.0%
6520-20 · R/M Equip. - '02 Kodiak Blower	0.00	0.00	0.00	0.0%
6520-25 · R/M Equip. - '04 Batts De-Ice	0.00	0.00	0.00	0.0%
6520-28 · R/M Equip. - '06 Case 621 Loader	756.90	0.00	756.90	100.0%

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Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
6520-29 · R/M Equip. - '10 Waus Broom/Plow	4,511.00	0.00	4,511.00	100.0%
6520-30 · R/M Equip. - '05 Ford F-350	279.03	0.00	279.03	100.0%
6520-31 · R/M Equip. - '10 Oshkosh Blower	208.51	0.00	208.51	100.0%
6520-32 · R/M Equip. - '09 Mini Truck	101.48	0.00	101.48	100.0%
6520-34 · R/M Equip. - '12 Case 921F Load	1,639.94	0.00	1,639.94	100.0%
6520-35 · R/M Equip. - '14 Ford Explorer	0.00	0.00	0.00	0.0%
6520-36 · R/M Equip. - '10 Toyota Forklift	0.00	0.00	0.00	0.0%
6520-37 · R/M Equip. - '15 Tool Cat	0.00	0.00	0.00	0.0%
6520-38 · R/M Equip. - '15 Wausau Broom	0.00	0.00	0.00	0.0%
6520-39 · R/M Equip. - Boss Spreader	16.88	0.00	16.88	100.0%
6520-40 · R/M Equip. - '17 Ford-350 Super	894.88	0.00	894.88	100.0%
6520-41 · R/M Equip. - '17 Kodlak Blower	145.66	0.00	145.66	100.0%
6520-42 · R/M Equip. - '18 Kodlak Attach.	0.00	0.00	0.00	0.0%
6520-43 · R/M Equip. - '18 279D Skid St.	0.00	0.00	0.00	0.0%
6520-44 · R/M Equip. - '18 972M Loader	279.74	0.00	279.74	100.0%
6520-45 · R/M Equip. - '19 Oshkosh Broom	0.00	0.00	0.00	0.0%
Total 6520-00 · VEHICLES/MAINTENANCE	11,306.10	0.00	11,306.10	100.0%
6530-00 · ARFF MAINTENANCE				
6530-01 · ARFF Maint. Gen/Supplies	0.00	833.00	-833.00	0.0%
6530-03 · ARFF Maint. - '87 Oshkosh	0.00	0.00	0.00	0.0%
6530-04 · ARFF Maint. - Radios	0.00	0.00	0.00	0.0%
6530-05 · ARFF MAInt. - '03 E-One	0.00	0.00	0.00	0.0%
6530-07 · ARFF Maint. - Supp/HFD Support	0.00	0.00	0.00	0.0%
Total 6530-00 · ARFF MAINTENANCE	0.00	833.00	-833.00	0.0%
6540-00 · REPAIRS/MAINTENANCE - BUILDING				
6540-01 · R/M Bldg. - General	953.02	166.00	787.02	574.1%
6540-02 · R/M Bldg. - Terminal	10,319.16	7,916.00	2,403.16	130.4%
6540-03 · R/M Bldg. - Terminal Concession	0.00	208.00	-208.00	0.0%
6540-04 · R/M Bldg. - Cold Storage	201.98	166.00	35.98	121.7%
6540-05 · R/M Bldg. - AOB/SHOP	1,566.00	1,666.00	-100.00	94.0%
6540-06 · R/M Bldg. - Hangars	0.00	208.00	-208.00	0.0%
6540-07 · R/M Bldg. - Tower	625.94	500.00	125.94	125.2%
6540-08 · R/M Bldg. - Parking Booth	120.00	120.00	0.00	100.0%
Total 6540-00 · REPAIRS/MAINTENANCE - BUILDING	13,786.10	10,950.00	2,836.10	125.9%
6550-00 · REPAIRS/MAINTENANCE - AIRSIDE				
6550-01 · R/M - General	260.48	416.00	-155.52	62.6%
6550-02 · R/M - Airfield/Runway	25,995.20	5,000.00	20,995.20	519.9%
6550-03 · R/M - Airfield/Runway - Deice	0.00	0.00	0.00	0.0%
6550-04 · R/M - Lights	658.70	1,000.00	-341.30	65.9%
Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE	26,914.38	6,416.00	20,498.38	419.5%

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Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
6551-00 · REPAIRS/MAINTENANCE - LANDSIDE				
6551-01 · RM - General	0.00	208.00	-208.00	0.0%
6551-02 · R/M - Parking Lot	0.00	666.00	-666.00	0.0%
6551-03 · R/M - Landscaping	0.00	833.00	-833.00	0.0%
Total 6551-00 · REPAIRS/MAINTENANCE - LANDSIDE	0.00	1,707.00	-1,707.00	0.0%
6560-00 · SECURITY EXPENSE				
6560-01 · Security - General	120.00	0.00	120.00	100.0%
6560-02 · Security - Law Enf. Offi. (LEO)	0.00	0.00	0.00	0.0%
6560-03 · Security - Subscription Licen.	7,660.00	0.00	7,660.00	100.0%
6560-04 · Security - Perim./Access/CCTV	1,136.23	0.00	1,136.23	100.0%
6560-05 · Security - Professional Serv.	0.00	0.00	0.00	0.0%
6560-06 · Security - Prof. Services/IT	908.98	0.00	908.98	100.0%
Total 6560-00 · SECURITY EXPENSE	9,825.21	0.00	9,825.21	100.0%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU				
6570-01 · R/M Aeronautical Equip - NDB/DME	2,059.20	2,250.00	-190.80	91.5%
6570-02 · R/M Aeronautical Equip. - Tower	1,479.60	1,750.00	-270.40	84.5%
6570-03 · R/M Aeronautical Equip.-Swt. Sys	0.00	0.00	0.00	0.0%
6570-04 · R/M Aeron. Equip. - AWOS/ATIS	2,059.20	2,250.00	-190.80	91.5%
Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL E...	5,598.00	6,250.00	-652.00	89.6%
Total "B" EXPENSES - OPERATIONAL	153,632.65	29,320.00	124,312.65	524.0%
Total "B" EXPENDITURES	275,395.94	163,541.16	111,854.78	168.4%
"C" EXPENSES				
7001-00 · CAPITAL EXPENDITURES				
7001-0* · CONTINGENCY	0.00	2,083.00	-2,083.00	0.0%
7001-01 · Land	0.00	0.00	0.00	0.0%
7001-02 · Buildings and Improvements	4,020.26	0.00	4,020.26	100.0%
7001-03 · Airfield & General Improvements	0.00	0.00	0.00	0.0%
7001-04 · Office Equipment	0.00	0.00	0.00	0.0%
7001-05 · Maintenance Equipment /Vehicle	24,706.74	0.00	24,706.74	100.0%
7001-06 · Assessments/Plans/Studies	0.00	0.00	0.00	0.0%
7001-09 · Security Equipment	0.00	0.00	0.00	0.0%
Total 7001-00 · CAPITAL EXPENDITURES	28,727.00	2,083.00	26,644.00	1,379.1%
7110-00 · DOT/SCADGP				
7110-01 · DOT/SCASGP	0.00	0.00	0.00	0.0%
7110-02 · DOT/SCASGP - FMAA	0.00	0.00	0.00	0.0%
Total 7110-00 · DOT/SCADGP	0.00	0.00	0.00	0.0%

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Accrual Basis

**Friedman Memorial Airport
Profit & Loss Budget vs. Actual (COMBINED '20)**

	Oct 19	Budget	\$ Over Budget	% of Budget
7500-00 · IDAHO STATE GRANT PROGRAM				
7500-18 · '18 ITD Grant (SUN-17 ITD/FMA)	0.00	0.00	0.00	0.0%
Total 7500-00 · IDAHO STATE GRANT PROGRAM	0.00	0.00	0.00	0.0%
7541-00 · AIP 41 SA Ph. III -Runway/Term.				
7541-01 · AIP '41	0.00	0.00	0.00	0.0%
7541-02 · AIP '41 - Non-Eligible	0.00	0.00	0.00	0.0%
7541-05 · Non-Eligible - TSA	0.00	0.00	0.00	0.0%
7541-06 · Non-Eligible - Terminal	0.00	0.00	0.00	0.0%
7541-07 · AIP '41 RETAINER	0.00	0.00	0.00	0.0%
7541-08 · AIP '41 RETAINER PFC	0.00	0.00	0.00	0.0%
7541-09 · AIP '41 Non-Elig Retainer	0.00	0.00	0.00	0.0%
Total 7541-00 · AIP 41 SA Ph. III -Runway/Term.	0.00	0.00	0.00	0.0%
7542-00 · AIP '42 EXPENSE - AC Apron Dagn				
7542-01 · AIP '42 - Eligible	0.00	0.00	0.00	0.0%
7542-02 · AIP '42 Non-Eligible	0.00	0.00	0.00	0.0%
7542-03 · AIP 42 - Land Aquisition	0.00	0.00	0.00	0.0%
Total 7542-00 · AIP '42 EXPENSE - AC Apron Dagn	0.00	0.00	0.00	0.0%
7543-00 · AIP '43 EXPENSE - Air Carr. Apr				
7543-01 · AIP '43 - AC Apron - Eligible	0.00	0.00	0.00	0.0%
7543-02 · AIP '43 - Parking - Non-Eligibl	294.00	0.00	294.00	100.0%
7543-03 · AIP '43 - SRE Equipment	35,322.99	0.00	35,322.99	100.0%
7543-04 · AIP '43 - RPZ Acq/Tree Removal	0.00	0.00	0.00	0.0%
7543-05 · AIP '43 - Retainer - Eligible	84,016.52	0.00	84,016.52	100.0%
7543-06 · AIP '43 - Non-Elig. Retainer	18,246.30	0.00	18,246.30	100.0%
Total 7543-00 · AIP '43 EXPENSE - Air Carr. Apr	137,879.81	0.00	137,879.81	100.0%
7544-00 · AIP '44 EXPENSE RPZ EA				
7544-01 · AIP '44 - Eligible	0.00	0.00	0.00	0.0%
7544-02 · AIP '44 - Non-Eligible	0.00	0.00	0.00	0.0%
7544-00 · AIP '44 EXPENSE RPZ EA - Other	0.00	0.00	0.00	0.0%
Total 7544-00 · AIP '44 EXPENSE RPZ EA	0.00	0.00	0.00	0.0%
7545-00 · AIP '45 EXPENSE - Exp. AC Apron				
7545-01 · AIP '45 - Eligible	0.00	0.00	0.00	0.0%
7545-02 · AIP '45 - Non-Eligible	0.00	0.00	0.00	0.0%
7545-03 · AIP '45 - Retainer - Eligible	0.00	0.00	0.00	0.0%
7545-04 · AIP '45 - Non-Elig. Retainer	258.75	0.00	258.75	100.0%
Total 7545-00 · AIP '45 EXPENSE - Exp. AC Apron	258.75	0.00	258.75	100.0%

Friedman Memorial Airport

Profit & Loss Budget vs. Actual (COMBINED '20)

	Oct 19	Budget	\$ Over Budget	% of Budget
7546-00 · AIP '46 EXPENSE - SRE/ARFF EQU				
7546-01 · AIP '46 - Eligible	0.00	0.00	0.00	0.0%
7546-02 · AIP '46 - Non-Eligible	0.00	0.00	0.00	0.0%
7546-03 · AIP '46 - Retainer - Eligible	0.00	0.00	0.00	0.0%
7546-04 · AIP '46 - Non-Elig. Retainer	0.00	0.00	0.00	0.0%
7546-00 · AIP '46 EXPENSE - SRE/ARFF EQU - Other	0.00	0.00	0.00	0.0%
Total 7546-00 · AIP '46 EXPENSE - SRE/ARFF EQU	0.00	0.00	0.00	0.0%
7547-00 · AIP '47 EXPENSE - Acq. SRE/ARFF				
7547-01 · AIP '47 - Eligible	0.00	0.00	0.00	0.0%
7547-02 · AIP '47 - Non-Eligible	0.00	0.00	0.00	0.0%
Total 7547-00 · AIP '47 EXPENSE - Acq. SRE/ARFF	0.00	0.00	0.00	0.0%
7548-00 · AIP '48 EXPENSE - LAND ACQU				
7548-01 · AIP '48 - Eligible	1,953.95	0.00	1,953.95	100.0%
7548-02 · AIP '48 - Non-Eligible	0.00	0.00	0.00	0.0%
Total 7548-00 · AIP '48 EXPENSE - LAND ACQU	1,953.95	0.00	1,953.95	100.0%
7550-00 · AIP TBD -				
7550-01 · AIP TBD	0.00	0.00	0.00	0.0%
Total 7550-00 · AIP TBD -	0.00	0.00	0.00	0.0%
9001-00 · PFC 14-09-C-00-SUN				
9001-01 · PFC '14 RSA Formulation	0.00	0.00	0.00	0.0%
9001-02 · PFC '14 Acquire SRE	0.00	0.00	0.00	0.0%
9001-03 · PFC '14 Master Plan	0.00	0.00	0.00	0.0%
9001-04 · PFC '14 Relocate SW Taxiway By	0.00	0.00	0.00	0.0%
9001-05 · PFC '14 Relocate GA Apron	0.00	0.00	0.00	0.0%
9001-06 · PFC '14 Perimeter Fence Relocat	0.00	0.00	0.00	0.0%
9001-07 · PFC '14 RSA Grading	0.00	0.00	0.00	0.0%
9001-08 · PFC '14 Relocate Taxiway A & B	0.00	0.00	0.00	0.0%
9001-09 · PFC '14 Relocate Power to PAPI	0.00	0.00	0.00	0.0%
9001-10 · PFC '14 Relocate AWOS	0.00	0.00	0.00	0.0%
9001-11 · PFC '14 Relocate SRE/ARFF Bldg.	0.00	0.00	0.00	0.0%
9001-12 · PFC '14 Relocate Terminal Apron	0.00	0.00	0.00	0.0%
9001-13 · PFC '14 Relocate Cargo Apron	0.00	0.00	0.00	0.0%
9001-14 · PFC '14 Relocate Hangars	0.00	0.00	0.00	0.0%
9001-15 · PFC '14 Rehab Terminal Bldg.	0.00	0.00	0.00	0.0%
9001-16 · PFC '14 Relocate N. Taxiway	0.00	0.00	0.00	0.0%
9001-17 · PFC '14 Relocate Central Bypass	0.00	0.00	0.00	0.0%
9001-18 · PFC '14 Runway Rehabilitation	0.00	0.00	0.00	0.0%

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12/30/19

Accrual Basis

**Friedman Memorial Airport
Profit & Loss Budget vs. Actual (COMBINED '20)**

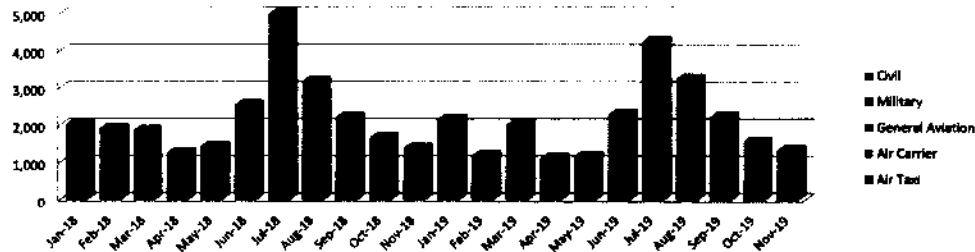
	Oct 19	Budget	\$ Over Budget	% of Budget
9001-19 - PFC '14 Administration	0.00	0.00	0.00	0.0%
9001-20 - PFC '14 RETAINER	0.00	0.00	0.00	0.0%
Total 9001-00 - PFC 14-09-C-00-SUN	0.00	0.00	0.00	0.0%
Total "C" EXPENSES	168,819.51	2,083.00	166,736.51	8,104.6%
Total EXPENDITURES	566,361.29	302,188.17	264,173.12	187.4%
Total Expense	566,361.29	302,188.17	264,173.12	187.4%
Net Ordinary Income	-183,545.49	180,118.83	-363,664.32	-101.9%
Net Income	-183,545.49	180,118.83	-363,664.32	-101.8%

**Friedman Memorial Airport
November 2019**

ATCT Traffic Operations Record

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	3,622	3,893	3,912	2,600	3,028	2,787	4,547	2,520	2,070	2,379	2,408	2,098	2,454	2,128	2,249	1,842	1,665	2,019	2,172
February	4,027	4,498	3,073	3,122	3,789	3,597	3,548	2,857	2,244	2,647	2,117	2,205	2,612	1,417	2,268	2,533	1,629	1,914	1,187
March	4,952	5,126	3,086	4,097	3,618	2,918	4,677	3,087	2,145	2,709	1,813	1,921	2,753	1,924	2,023	1,917	1,895	1,860	2,016
April	2,494	3,649	2,213	2,840	2,462	2,047	2,581	2,113	1,724	1,735	1,604	1,513	1,509	1,210	1,337	1,380	1,426	1,257	1,116
May	3,905	4,184	2,654	3,282	2,729	2,134	1,579	2,293	2,280	1,891	1,533	1,693	1,852	555	668	1,501	1,802	1,442	1,174
June	4,787	5,039	4,737	4,438	3,674	3,656	5,181	3,334	2,503	3,019	2,898	2,761	3,203	2,184	2,387	2,475	2,502	2,552	2,292
July	6,359	8,796	6,117	5,910	5,424	5,931	7,398	4,704	4,551	5,005	5,004	4,810	5,345	4,345	4,159	4,562	4,573	5,033	4,266
August	6,479	6,917	5,513	5,707	5,722	6,087	8,196	4,570	4,488	4,705	4,326	3,823	4,644	3,114	2,932	3,719	3,873	3,175	3,260
September	3,871	4,638	4,162	4,124	4,609	3,760	4,311	2,696	3,376	3,128	3,359	2,396	2,403	2,237	2,292	2,379	2,036	2,224	2,235
October	3,879	3,656	3,426	2,936	3,570	3,399	3,103	2,134	2,145	2,012	1,886	1,658	1,874	1,760	1,789	1,377	1,939	1,670	1,571
November	3,082	2,698	2,599	2,749	2,260	2,912	2,892	1,670	1,901	1,309	1,114	1,325	1,475	908	1,229	1,314	1,135	1,392	1,328
December	3,401	2,805	3,247	3,227	2,722	3,834	2,699	1,848	2,272	1,811	2,493	2,066	2,016	1,545	1,482	1,717	2,217	2,033	0
Totals	50,858	55,897	44,739	45,032	43,607	43,002	60,712	33,836	31,699	32,350	30,556	28,289	32,140	23,307	24,816	26,716	26,692	26,571	22,617

**Operations
2018-2019
(Cumulative)**



ATCT Operations by Category November 2018 - November 2019			
	2019	2018	% Change
Air Taxi	201	205	-2.4%
Air Carrier	183	193	-5%
General Aviation	222	786	71%
Military		6	100%
Civil	46	79	-41%
Total	1,328	1,392	-4.60%
YTD Total	22,617	24,538	-7.83%

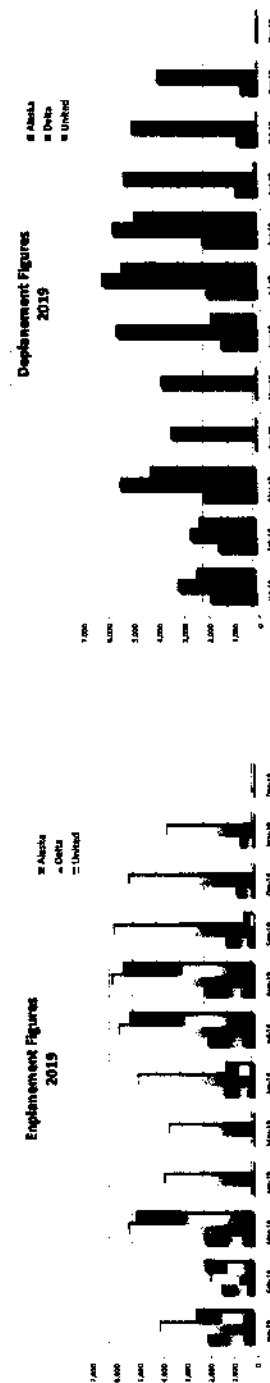
Friedman Memorial Airport
November 2019

Month	Alaska Airlines					Delta Airlines					United Airlines				
	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %
Jan-19	1,868	54	1,922	4,051	-53%	3,876	98	3,974	3,281	21%	3,171	54	3,225	2,430	33%
Feb-19	1,328	26	1,354	3,949	-66%	1,764	62	1,826	2,802	-30%	2,003	22	2,025	2,128	-5%
Mar-19	1,972	46	2,018	4,379	-54%	5,112	171	5,283	3,193	65%	4,877	74	4,951	2,623	89%
Apr-19	0	0	0	127	-100%	3,704	100	3,804	3,305	15%	0	0	0	134	-100%
May-19	0	0	0	0	0%	3,514	102	3,616	3,458	5%	0	0	0	0	0%
Jun-19	1,186	53	1,239	2,212	-44%	4,814	106	4,920	4,355	13%	1,151	16	1,167	1,077	9%
Jul-19	1,837	78	1,915	4,457	-57%	5,639	80	5,719	5,537	3%	5,140	79	5,219	3,521	48%
Aug-19	1,960	79	2,039	4,542	-55%	5,926	84	6,010	5,830	7%	5,426	53	5,479	3,704	48%
Sep-19	1,101	47	1,148	2,715	-58%	5,859	81	5,940	5,098	17%	401	3	404	478	-15%
Oct-19	698	19	717	932	-23%	5,200	121	5,321	5,196	2%	0	0	0	0	0%
Nov-19	546	34	580	683	-15%	3,613	120	3,733	4,187	-11%	0	0	0	0	0%
Totals	12,496	436	12,932	28,047	-54%	49,021	1,127	50,148	48,942	9%	22,169	391	22,470	15,126	49%

Legend for Chart:

Month	Alaska Airlines					Delta Airlines					United Airlines				
	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %
Jan-19	1,724	50	1,774	3,377	-47%	2,944	100	3,044	2,372	28%	2,286	45	2,331	1,583	47%
Feb-19	1,418	29	1,447	4,188	-65%	2,526	56	2,582	2,706	-5%	2,227	41	2,268	2,332	-3%
Mar-19	2,002	64	2,066	4,033	-49%	4,956	419	5,375	2,822	90%	4,114	78	4,192	2,267	85%
Apr-19	0	0	0	117	100%	3,281	83	3,364	2,872	17%	0	0	0	78	-100%
May-19	0	0	0	0	0%	3,665	97	3,762	3,702	2%	0	0	0	0	0%
Jun-19	1,321	70	1,391	3,112	-55%	5,427	111	5,538	4,890	13%	1,781	40	1,801	372	364%
Jul-19	1,891	61	1,952	4,521	-57%	6,013	69	6,082	5,708	7%	5,307	56	5,363	3,255	65%
Aug-19	2,081	46	2,127	4,557	-53%	5,593	87	5,680	5,552	2%	4,789	62	4,851	3,199	52%
Sep-19	788	43	831	2,215	-62%	5,178	86	5,264	4,583	15%	42	3	45	93	-52%
Oct-19	735	41	776	917	-15%	4,857	101	4,958	4,575	8%	0	0	0	0	0%
Nov-19	601	26	627	822	-24%	3,847	99	3,946	4,124	-4%	0	0	0	0	0%
Totals	12,481	430	12,911	27,869	-53%	48,267	1,308	49,575	43,918	13%	20,528	326	20,854	13,180	58%

Legend for Chart:



Financial Statements

Friedman Memorial Airport Authority
Includes Supplementary Information
Years Ended September 30, 2019 and 2018



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INDEPENDENT AUDITORS' REPORT

To the Board
Friedman Memorial Airport Authority
Hailey, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the Friedman Memorial Airport Authority which comprise the statements of net position as of September 30, 2019 and 2018, and the related statements revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Friedman Memorial Airport Authority, as of September 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the Authority's basic financial statements taken as a whole. The schedule of revenue, expenditures and changes in net position – budget and actual and reconciliation of budgetary basis to GAAP, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of federal expenditures and the schedule of revenue, expenditures and changes in net position – budget and actual and reconciliation of budgetary basis to GAAP and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 and the schedule of revenue, expenditures and changes in net position – budget and actual and reconciliation of budgetary basis to GAAP 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 January 7, 2020, on our consideration of Friedman Memorial Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Friedman Memorial Airport Authority's internal control over financial reporting and compliance.

Meridian, Idaho
January 7, 2020

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended September 30, 2019 and 2018

The following Management's Discussion and Analysis (MD&A) of the Friedman Memorial Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the fiscal year ended September 30, 2019. The information contained in the MD&A should be considered in conjunction with information contained in the Authority's financial statements.

Friedman Memorial Airport is located in the City of Hailey, within Blaine County. Blaine County is located in central Idaho, in an area known as the Wood River Valley. The Big Wood River runs from north to south between the Smoky, Pioneer and Boulder Mountains. Friedman Memorial Airport is located immediately south of the central business district of Hailey and approximately two miles north of the City of Bellevue. State Highway 75 runs directly adjacent to the east side of the Airport, southeast to northwest through the cities of Bellevue and Hailey, with Ketchum/Sun Valley 11 miles to the north and Twin Falls 75 miles to the south.

As has been discussed in previous MD&A, beginning in fiscal year 2013, the Authority initiated substantial steps to improve the existing airport. These improvements were the culmination of an aggressive approach to the implementation of "Alternative 6", which included a Federal Aviation Administration (FAA) Safety Risk Management study and the approval of five Modification to Standards (MOS) to accommodate an achievable solution to the congressional mandated safety standards at the airport by the end of calendar year 2015. These modifications consider and limit the size of aircraft to those that currently utilize Friedman rather than making alterations that would fully achieve a C-III compliant airport. \$34 million dollars in improvements were completed at the airport by the end of fiscal year 2015 to meet this mandate and include a standard Runway Safety Area (RSA), a full-length parallel Taxiway Bravo, and an expansion of the airport passenger terminal and associated air carrier aircraft parking apron. Substantial construction was complete by the end of the first quarter of fiscal year 2016. Additional improvements to the terminal were completed in the first quarter of fiscal year 2017 when a new concession space was added to the departure lounge area.

The airport continues to be served by three air carriers – Delta, United, and Alaska Airlines. Delta Airlines remains the airport's only year-round carrier (direct service to Salt Lake City), with United and Alaska providing winter and summer seasonal service. Markets served by our three air carriers in 2019 included Chicago (limited – winter only), Denver, Los Angeles, Salt Lake City, San Francisco, and Seattle. In 2018, enplanements were up nearly 16% over 2017. August 2018 set a record as the busiest month for passenger activity in airport history.

2019 enplanements decreased from 2018 down approximately -2.5%. The decrease in enplanements was a result of two primary factors; the loss of the Alaska Airline's Los Angeles and Portland flights in the fall of 2018, and a challenging February with record snow at the airport resulting in numerous diversions. This downward trend is not expected to continue.

As noted last year, in fall of 2018 Alaska Airlines pulled its Los Angeles service from the airport stating changes to their base of operations in Los Angeles which would no longer support Q400 aircraft operations. In addition, Alaska's Portland service was not continued due to poor performance. United Airlines picked up the Los Angeles service starting in December of 2018. Delta also added a third flight to Salt Lake City in the fall of 2018. This new third flight is available approximately 75% of the year and has been successful.

As has historically been the case at SUN, inconvenience due to frequent flight cancellations and diversions due to less than ideal instrument approach capabilities at the airport is an often-stated concern and the reason for travelers to be reluctant to return to SUN. Alaska Airline's implementation of their new proprietary instrument approach procedure in 2016, allowing them to land in very low ceiling and visibility conditions, has proved to be a significant improvement. In 2019, with the expertise of an instrument approach designer, the Authority has made significant progress in developing new instrument approach procedures that should result in significantly less diversions for the other air carriers. The new approach is expected to be available for the winter 2020/2021.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended September 30, 2019 and 2018

With the assistance of a local non-profit air service organization, the Authority is committed to maintaining and improving air service at Friedman. While commercial air service at the airport remains critical to our community both from an economic and transportation access standpoint, the airport also serves an extensive and important general aviation community. Our general aviation users are a significant contributor to the airport's annual revenue stream.

Operationally, fiscal year 2019 saw the Authority and staff continue to focus on maintenance and upkeep of our new facilities. The new and expanded facilities resulted in increased maintenance and operations (O&M) expenses in 2017 and 2018. 2019 budget adjustments better reflected the O&M costs of the new facilities.

In August 2018, the FAA approved the airport's Airport Layout Plan as part of the Airport Master Plan process started in 2014. FAA's approval finalized the master planning process.

Consistent with the master plan, the Authority completed a major capital development project in November 2018. The project included an expansion of the air carrier parking apron adding a fourth air carrier aircraft parking position. Also in 2019, the Authority received grant funds from the Federal Aviation Administration for the acquisition of approximately 64.21 acres of land south of the airport for purposes of Runway Protection Zone and obstruction removal (trees). In November 2018, the Authority and landowner signed a Purchase and Sales Agreement specifying the terms of acquisition for the acquisition. With receipt of the FAA grant, closing on the property was scheduled for November 2019.

All financial and operational indications continue to reflect the healthy economy is having a direct positive impact on the airport.

Overview of the Financial Statements

The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when paid. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following this MD&A are the basic financial statements of the Authority, together with the notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The *Statements of Net Position* present information on all the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as useful indicators of whether the Authority's financial position is improving or deteriorating.

The *Statements of Revenue, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in this statement. A reconciliation is provided at the bottom of the *Statements of Cash Flows* to assist in understanding the difference between cash flows, operating activities and operating income.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended September 30, 2019 and 2018

In addition to the basic financial statements and accompanying notes, this report also presents the *Schedule of Revenue, Expenditures and Changes in Net Position Budget & Actual* and the *Reconciliation of Budgetary Basis to GAAP* as supplementary information.

Financial Analysis of the Authority as a Whole

The changes in net position over time serve as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by \$54,987,045 as of September 30, 2019, a decrease of \$1,048,152 from the prior year.

A condensed summary of the Authority's financial position at September 30th is shown below.

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
ASSETS:				
Current Assets	\$ 4,204,487	\$ 4,981,576	\$ (777,089)	-15.6%
Capital Assets	<u>51,406,048</u>	<u>53,215,198</u>	<u>(1,809,150)</u>	-3.4%
Total Assets	<u>55,610,535</u>	<u>58,196,774</u>	<u>(2,586,239)</u>	-4.5%
LIABILITIES:				
Current Liabilities	406,550	1,932,856	(1,526,306)	-79.0%
Noncurrent Liabilities	<u>216,940</u>	<u>228,721</u>	<u>(11,781)</u>	-5.2%
Total Liabilities	<u>623,490</u>	<u>2,161,577</u>	<u>(1,538,087)</u>	-71.2%
NET POSITION:				
Invested in capital assets	51,334,540	53,097,165	(1,762,625)	-3.3%
Restricted	5,500	5,500	-	-
Unrestricted	<u>3,647,005</u>	<u>2,932,532</u>	<u>714,473</u>	24.4%
Net Position	<u>\$ 54,987,045</u>	<u>\$ 56,035,197</u>	<u>\$(1,048,152)</u>	-1.9%

The largest portion of the Authority's net position is invested in capital assets (e.g. land, buildings, improvements and equipment). At September 30, 2019, there was \$71,508 of outstanding debt attributable to these assets. The Authority uses its capital assets to provide services to its aviation partners, passengers and fixed-base operators. This requirement includes the obligation to preserve and maintain airport facilities in a safe and serviceable condition and includes the responsibility to operate the aeronautical facilities and common use areas for the benefit of the public. Consequently, these assets are not available for future spending.

The Authority's unrestricted net position is available to meet current and future obligations. The Authority anticipates that these funds will be needed to pay future capital expenditures and maintain adequate levels of working capital.

The Authority's restricted net position represents an amount required to be set aside as a performance bond by a communications use lease with the Bureau of Land Management (BLM). The BLM funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended September 30, 2019 and 2018

A condensed summary of the Authority's revenue, expenses and changes in net position for the fiscal year ending September 30th is shown below.

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Operating Revenue	\$ 3,982,333	\$ 3,424,975	\$ 557,358	16.3%
Operating Expenses	<u>7,060,752</u>	<u>6,441,410</u>	<u>619,342</u>	9.6%
Operating (income/loss)	(3,078,419)	(3,016,435)	(61,984)	-2.1%
Non-operating Revenue (Expenses)	449,364	388,378	60,986	15.7%
Capital Contributions	<u>1,580,903</u>	<u>2,106,461</u>	<u>(525,558)</u>	-24.9%
Changes in net position	(1,048,152)	(521,596)	(526,556)	-101.0%
Beginning net position	<u>56,035,197</u>	<u>56,556,793</u>	<u>(521,596)</u>	-0.9%
Ending net position	<u>\$54,987,045</u>	<u>\$56,035,197</u>	<u>\$(1,048,152)</u>	-1.9%

Operating revenue increased 16.3% over the prior fiscal year. This was primarily due to a 76.7% increase in revenue from airlines. Additionally, all sources of operating revenue increased over the prior fiscal year.

Operating expenses increased by 9.6% over the prior fiscal year. This was primarily due to a 57.9% increase in repairs and maintenance and a 22.1% increase in services and contracts. Additionally, all other operating expense categories increased over the prior fiscal year.

Comparison of Budget and Actual Results

No amendments were made to the Authority's *Budgeted Revenue, Expenses and Changes in Net Position* during the fiscal year ending September 30, 2019. A summary of operating revenue and expenses based on the actual budgetary basis is shown below.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Operating Revenue	\$4,028,935	\$3,982,333	\$ (46,602)
Total Operating Expenses	<u>3,441,438</u>	<u>3,440,462</u>	<u>(976)</u>
Operating Income (loss)	<u>\$ 587,497</u>	<u>\$ 541,871</u>	<u>\$ (45,626)</u>

Actual results reported above may differ from the actual results as reported in the *Statement of Revenue, Expenses and Changes in Net Position* for the following reasons:

1. Accruals of compensated absences are not budgeted but are reported for GAAP.
2. Depreciation expense is not budgeted but is reported for GAAP.
3. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
4. Gain or loss on disposition of capital assets is not budgeted but is reported for GAAP.

The Authority's budget philosophy is to conservatively estimate revenue while, at the same time, making certain that budgeted operating expenses are not understated.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended September 30, 2019 and 2018

Capital Acquisitions and Construction Activities

The capital assets of the Authority are those assets that are used in the performance of the Authority's functions. At September 30, 2019, net capital assets totaled \$51,406,048. The Authority acquired or constructed almost \$1.8 million in capital assets this year as detailed in Note 3 of the Notes to the Basic Financial Statements.

Long-term Liabilities

Long-term liabilities include a loan payable and accrued compensated absences. A loan payable related to the acquisition of parking equipment requires thirty-six monthly payments of \$4,422 beginning on April 1, 2018. The total loan payable liability at September 30, 2019, was \$71,508. Accrued compensated absences represents vacation, comp time and 25% of sick leave, which has been accrued but will be paid in future periods as used or on termination of employment. The total accrued compensated absences liability at September 30, 2019, was \$300,698. Currently, the Authority has no other long-term debt outstanding nor are there any plans to incur any long-term debt.

Requests for Information

This financial report is designed to provide the Authority's Board, management, investors, creditors and customers with a general view of the Authority's net position and results of operations. Questions concerning any information contained in this report may be directed to the Airport Manager, 1616 Airport Circle, Hailey, ID 83333.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**STATEMENTS OF NET POSITION
ENTERPRISE FUND
September 30, 2019 and 2018**

ASSETS	2019	2018
Current Assets:		
Cash and cash equivalents	\$ 2,974,973	\$ 3,332,831
Operating accounts receivable	381,447	147,274
Nonoperating accounts receivable	-	171,563
Due from other governments	835,008	1,303,395
Interest receivable	2,636	4,374
Prepaid expenses	4,923	16,639
Restricted cash and cash equivalents:		
BLM	5,500	5,500
Total Current Assets	<u>4,204,487</u>	<u>4,981,576</u>
Noncurrent Assets:		
Land	6,712,067	6,712,067
Construction in progress	704,532	3,040,257
Airfield, buildings, equipment, improvements, plans and studies	71,012,527	66,916,587
	<u>78,429,126</u>	<u>76,668,911</u>
Accumulated depreciation	(27,023,078)	(23,453,713)
Total Noncurrent Assets	<u>51,406,048</u>	<u>53,215,198</u>
 Total Assets	 <u>55,610,535</u>	 <u>58,196,774</u>
LIABILITIES		
Current Liabilities:		
Trade accounts payable	193,526	948,554
Payable City of Hailey	4,250	2,790
Accounts payable for capital improvements	47,768	823,371
Accrued payroll and benefits	4,040	2,385
Customer deposits	1,700	1,400
Current portion of long-term liabilities	155,266	154,356
Total Current Liabilities	<u>406,550</u>	<u>1,932,856</u>
Long-Term Liabilities:		
Accrued compensated absences	300,698	265,044
Loan payable	71,508	118,033
Current portion of long-term liabilities	(155,266)	(154,356)
Total Long-Term Liabilities	<u>216,940</u>	<u>228,721</u>
Total Liabilities	<u>623,490</u>	<u>2,161,577</u>
NET POSITION		
Net investment in capital assets	51,334,540	53,097,165
Restricted	5,500	5,500
Unrestricted	3,647,005	2,932,532
Total Net Position	<u>\$ 54,987,045</u>	<u>\$ 56,035,197</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND**

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenue:		
Airlines	\$ 555,206	\$ 314,222
Automobile rental	717,833	670,181
Auto parking	500,053	413,690
Rents, fees, commissions and leases	1,823,406	1,671,837
Fuel flowage fees	363,004	350,473
Other operating revenue	22,831	4,572
Total Operating Revenue	<u>3,982,333</u>	<u>3,424,975</u>
Operating Expenses:		
Employee wages, benefits and taxes	1,667,980	1,555,242
Supplies	142,025	131,429
Utilities	146,061	132,323
Services and contracts	754,936	618,222
Repairs and maintenance	449,698	284,713
Insurance	50,692	50,200
Other operating expense	264,724	187,529
Depreciation	3,584,636	3,481,752
Total Operating Expenses	<u>7,060,752</u>	<u>6,441,410</u>
Operating Income (Loss)	<u>(3,078,419)</u>	<u>(3,016,435)</u>
Nonoperating Revenue (Expenses):		
Passenger Facility Charges	411,321	370,768
Interest income	44,588	41,919
Interest expense	(6,545)	(5,230)
Gain (loss) on disposition of capital assets	-	(9,022)
Local match contributions	-	171,563
Federal grants	-	500,000
Federal grant expenditures	-	(681,620)
Total Nonoperating Revenue and (Expenses)	<u>449,364</u>	<u>388,378</u>
Income (Loss) before Capital Contributions	<u>(2,629,055)</u>	<u>(2,628,057)</u>
Capital Contributions	<u>1,580,903</u>	<u>2,106,461</u>
Change in Net Position	<u>(1,048,152)</u>	<u>(521,596)</u>
Net Position, Beginning of Year	<u>56,035,197</u>	<u>56,556,793</u>
Net Position, End of Year	<u>\$ 54,987,045</u>	<u>\$ 56,035,197</u>

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**STATEMENTS OF CASH FLOWS
ENTERPRISE FUND**

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 3,748,460	\$ 3,608,370
Cash payments to employees for services and benefits	(1,630,671)	(1,527,607)
Cash payments to suppliers for goods and services	(2,548,118)	(1,166,393)
Net cash provided (used) by operating activities	<u>(430,329)</u>	<u>914,370</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local match contributions	171,563	-
Noncapital financing	500,000	-
Operating grant expenditures	-	(10,057)
Net cash provided (used) by noncapital financing activities	<u>671,563</u>	<u>(10,057)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,552,959)	(1,922,484)
Payments on long-term debt	(46,525)	(25,727)
Interest payments on long-term debt	(6,545)	(5,230)
Grants and other amounts received for the purchase of capital assets	1,549,290	1,385,840
Passenger Facility Charges received for the purchase of capital assets	411,321	370,768
Net cash provided (used) by capital and related financing activities	<u>(645,418)</u>	<u>(196,833)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	46,326	39,427
Net cash provided (used) by investing activities	<u>46,326</u>	<u>39,427</u>
Net increase (decrease) in cash and cash equivalents	(357,858)	746,907
Balances - beginning of the year	3,338,331	2,591,424
Balances - end of the year	<u>\$ 2,980,473</u>	<u>\$ 3,338,331</u>
RECONCILIATION OF CASH BALANCES TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	\$ 2,974,973	\$ 3,332,831
Restricted cash and cash equivalents:		
BLM	5,500	5,500
Total cash balances on Statements of Net Position	<u>\$ 2,980,473</u>	<u>\$ 3,338,331</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (3,078,419)	\$ (3,016,435)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,584,636	3,481,752
Change in assets and liabilities:		
(Increase) decrease in operating accounts receivable	(234,173)	183,395
(Increase) decrease in prepaid expenses	11,716	(10,024)
(Increase) decrease in construction in progress treated as services and contracts	1,870	29,511
Increase (decrease) in accounts payable trade	(753,568)	218,536
Increase (decrease) in accrued payroll and benefits	1,655	(1,548)
Increase (decrease) in customer deposits	300	-
Increase (decrease) in accrued compensated absences	35,654	29,183
Total Adjustment and Changes	<u>2,648,090</u>	<u>3,930,805</u>
Net cash provided (used) by operating activities	<u>\$ (430,329)</u>	<u>\$ 914,370</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

Note 1. Summary of Significant Accounting Policies

Organization

Effective October 1, 1994, Blaine County, Idaho, and the City of Hailey, Idaho, entered into a Joint Powers Agreement creating the Friedman Memorial Airport Authority (Authority) for the purpose of operating and managing airport activities in Blaine County, Idaho. The Authority is a public entity of the State of Idaho and therefore the Authority's income is exempt from Federal and Idaho income taxes. The Authority is governed by a seven-member board with three members representing Blaine County, three members representing the City of Hailey and one member who is unanimously selected by the other six members. The Authority has hired employees to provide for the day-to-day operations and management.

Pursuant to the Joint Powers Agreement, all buildings, improvements, facilities, equipment, and personal property used by the Authority were conveyed by Blaine County and the City of Hailey to the Authority for use and benefit of the Authority and title thereof shall be held by the Authority. Upon termination of this Agreement, title to all buildings, improvements, facilities, equipment and personal property held by the Authority shall vest jointly in Blaine County and the City of Hailey.

Reporting Entity

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the Authority does not have component units. Accordingly, the accompanying financial statements include only the operations of the Authority.

Measurement Focus and Basis of Accounting

The Authority's financial statements have been prepared using the accrual basis of accounting. Under this method, revenue and receivables are recognized when services are provided and expense and liabilities are recorded at the time goods and services are received.

The Authority's accounting policies conform to generally accepted accounting principles applicable to proprietary funds of governmental units. Proprietary funds use the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the operating unit. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest or capital contributions, result from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) value in exchange, include grants, donations and passenger facility charges (PFC's). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. PFC's along with related interest earnings are recorded as deferred revenue until authorized for matching payments on construction projects under an FAA approved Application to Use. Once authorized to use, PFC receipts are recognized and recorded as nonoperating revenue in the year collected.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash in bank accounts and funds deposited in the State Treasurer's Local Government Investment Pool. Because the State Treasurer's Local Government Investment Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is deemed to be a cash equivalent. These funds are carried at cost which is not materially different than fair value.

Accounts Receivable

Based upon past experience, uncollectible receivables are deemed immaterial by management and no allowance has been provided.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Prior to October 1, 2018, only assets with a value over \$1,500 were capitalized. As of October 1, 2018, the Authority adopted a new policy to capitalize assets with a value over \$5,000. Capital assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market value when received. The Authority does include the cost of all infrastructure assets in capital assets. Assets held under capital leases are recorded at the lower of fair market value or the present value of future lease payments and amortized over the estimated life of the asset. Depreciation is calculated by the straight-line method over the estimated useful life of the depreciable property as follows:

Building and improvements	5 to 40 years
Airfield and general improvements	3 to 25 years
Office equipment	5 years
Security	3 to 5 years
Maintenance equipment and vehicles	5 to 20 years
Assessments, plans and studies	4 to 20 years

Restricted Cash – BLM

This cash represents an amount required to be set aside as a performance bond by a communications use lease with the Bureau of Land Management. These funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031.

Restricted Cash – Passenger Facility Charges Funds

For the year ended September 30, 2018, this cash represents Passenger Facility Charges (PFC) collections based on an approved FAA application to "impose" such charges on enplaned passengers at the Airport. These funds are restricted to funding designated capital projects.

For the year ended September 30, 2019, this cash represents PFC collections based on an approved FAA application to "use" such charges on enplaned passengers at the airport and is not considered restricted.

Use of Restricted Resources

The Authority's policy is to first apply restricted resources when an eligible expenditure is made for which both restricted and unrestricted net position are available.

Budget

The Authority is required by state law to adopt an annual budget. The budgetary basis is accrual but differs from the basis of accounting used for the financial statements in the following ways:

1. Accruals of compensated absences are not budgeted but are reported for GAAP.
2. Depreciation expense is not budgeted but is reported for GAAP.
3. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
4. Gain or loss on disposition of capital assets is not budgeted but is reported for GAAP.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

Use of Estimates

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

Reclassifications

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Net position and change in net position are unchanged due to these reclassifications.

Note 2. Deposits and Investments

The following is a reconciliation of the Authority's deposit and investment balances as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 200	\$ 200
Bank deposits	79,160	294,712
Repurchase agreement	1,511,284	347,417
State of Idaho Local Government Investment Pool	<u>1,389,829</u>	<u>2,696,002</u>
	<u>\$ 2,980,473</u>	<u>\$ 3,338,331</u>

The Authority invests in the State of Idaho Local Government Investment Pool. These funds can be liquidated at cost as needed and are carried at cost which is not materially different than fair value. The invested amounts at year end are as listed above.

Deposit and Investment Policy

Idaho statute authorizes the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States; general obligation or revenue bonds of the state of Idaho, any Idaho taxing district, or public corporations of the state of Idaho; repurchase agreements; tax anticipation bonds or notes; time deposit accounts and savings accounts in state depositories; and the State of Idaho's Local Government Investment Pool. The Authority's Investment Policy limits investment choices to interest-bearing accounts at approved financial institutions and the State of Idaho Local Government Investment Pool. The accounts are to be reviewed monthly by the Board's financial review committee.

Credit Risk

The Authority has no formal policy on managing credit risk. As of September 30, 2019 and 2018, the Authority's deposits and investment had the following credit ratings:

<u>Investment</u>	<u>2019</u> <u>Fair Value</u>	<u>2018</u> <u>Fair Value</u>	<u>Credit</u> <u>Rating</u>
Mountain West Checking	\$ 73,058	\$ 288,662	None
Mountain West Certificate of Deposit	6,102	6,050	None
Mountain West Repurchase Agreement	1,511,284	347,417	None
State of Idaho Local Government Investment Pool	1,389,829	2,696,002	None

Investment by the Authority in State of Idaho Local Government Investment Pool is considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form. The type of investments allowed is regulated by *Idaho Code* and oversight is provided by the Idaho State Treasurer's Office.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's bank deposits will not be returned to it. The Authority's investment policy does not limit the amount of deposits in approved and chosen financial institutions.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

As of September 30, 2019, the carrying amount of the Authority's bank deposits was \$1,590,444 and the respective bank balances totaled \$1,675,551. The Authority's deposits at September 30, 2019, were covered by \$81,927 of insurance from the Federal Depositary Insurance Corporation and \$1,593,624 of collateral leaving none as unsecured or uninsured. The securities serving as collateral are held in the name of the financial institution and not that of the Authority.

As of September 30, 2018, the carrying amount of the Authority's bank deposits was \$642,129 and the respective bank balances totaled \$749,603. The Authority's deposits at September 30, 2018, were covered by \$256,050 of insurance from the Federal Depositary Insurance Corporation and \$438,428 of collateral leaving \$55,125 as unsecured or uninsured. The securities serving as collateral are held in the name of the financial institution and not that of the Authority.

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy does not place limits on amounts invested in any one issuer. Pooled investments and investments issued or explicitly guaranteed by the U.S. Government are not considered a concentration credit risk. At September 30, 2019 and 2018, the Authority had more than 5% of its deposits and investments invested in a repurchase agreement with Mountain West Bank. At September 30, 2019, 100% of the repurchase agreement was invested in the Federal Home Loan Mortgage Corporation. At September 30, 2018, 100% of the repurchase agreement was invested in the Federal National Mortgage Association.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Authority had the following deposits and investments as of September 30, 2019 and 2018:

<u>Investment</u>	<u>2019</u> <u>Fair Value</u>	<u>Weighted</u> <u>Average</u> <u>Duration</u>	<u>2018</u> <u>Fair Value</u>	<u>Weighted</u> <u>Average</u> <u>Duration</u>
Repurchase agreement	\$ 1,511,284	1 day	\$ 347,417	1 day
Investment pool	1,389,829	127 days	2,696,002	106 days
Certificate of Deposit	6,102	2 yrs 16 days	6,050	3 yrs 16 days
Demand deposits	73,058	not applicable	288,662	not applicable

Note 3. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Balance</u> <u>9/30/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance</u> <u>9/30/2019</u>
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$ -	\$ -	\$ -	\$ 6,712,067
Construction in progress*	3,040,257	578,228	(1,870)	(2,912,083)	704,532
Depreciable capital assets:					
Buildings and improvements	5,715,166	-	-	-	5,715,166
Airfield and general improvements	49,970,405	1,114,362	(4,031)	2,912,083	53,992,819
Office equipment	71,325	6,218	(8,174)	-	69,369
Security	148,463	10,160	-	-	158,623
Maintenance equipment & vehicles	3,847,421	65,812	(3,067)	-	3,910,166
Assessments, plans & studies	7,163,807	2,577	-	-	7,166,384
	76,668,911	1,777,357	(17,142)	-	78,429,126
Accumulated depreciation	(23,453,713)	(3,584,636)	15,272	-	(27,023,077)
	<u>\$ 53,215,198</u>	<u>\$ (1,807,279)</u>	<u>\$ (1,870)</u>	<u>\$ -</u>	<u>\$ 51,406,049</u>

*Construction in progress includes amounts for various airport improvement projects that were not completed as of September 30, 2019.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

Capital asset activity for the year ended September 30, 2018, was as follows:

	Balance 9/30/2017	Increase	Decrease	Transfer	Balance 9/30/2018
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$ -	\$ -	\$ -	\$ 6,712,067
Construction in progress*	3,052,836	2,570,193	(29,511)	(2,553,261)	3,040,257
Depreciable capital assets:					
Buildings and improvements	5,602,585	150,072	(37,491)	-	5,715,166
Airfield and general improvements	47,443,824	3,337	(15,377)	2,538,621	49,970,405
Office equipment	58,264	13,061	-	-	71,325
Security	307,886	-	(159,423)	-	148,463
Maintenance equipment & vehicles	3,848,412	17,783	(18,774)	-	3,847,421
Assessments, plans & studies	7,529,605	39,353	(419,791)	14,640	7,163,807
	74,555,479	2,793,799	(680,367)	-	76,668,911
Accumulated depreciation	(20,613,795)	(3,481,752)	641,834	-	(23,453,713)
	<u>\$ 53,941,684</u>	<u>\$ (687,953)</u>	<u>\$ (38,533)</u>	<u>\$ -</u>	<u>\$ 53,215,198</u>

*Construction in progress includes amounts for various airport improvement projects that were not completed as of September 30, 2018.

Note 4. Accounts Receivable

The Airport manager, under the direction of the Authority, charges fees and rents for parking (aircraft and automobiles), landing of aircraft, fuel flowage, hangars and concession commissions. Landing fees are based on the weight of the aircraft while parking fees are based on the class and weight of each aircraft. Auto parking is on a commission basis. The Authority clerk posts these charges on a regular basis and bills each user.

Based upon past experience, uncollectible receivables are deemed immaterial by management.

The Authority's uncollected accounts as of September 30, 2019 and 2018, are as follows:

	2019	2018
Current	\$ 200,417	\$ 146,403
30-60 days	2,070	885
60-90 days	31,209	6
90 days and over	147,751	(20)
	<u>\$ 381,447</u>	<u>\$ 147,274</u>
Nonoperating accounts receivable	<u>\$ -</u>	<u>\$ 171,563</u>
Due from other governments	<u>\$ 835,008</u>	<u>\$ 1,303,395</u>

Note 5. Long-term Liabilities

Changes in long-term obligations for the year ended September 30, 2019, are as follows:

	Balance at 10/01/2018	Additions	Reductions	Balance 9/30/2019	Amount due within 1 year
Loan payable	\$ 118,033	\$ -	\$ 46,525	\$ 71,508	\$ 49,764
Compensated absences	265,044	35,654	-	300,698	105,502
	<u>\$ 383,077</u>	<u>\$ 35,654</u>	<u>\$ 46,525</u>	<u>\$ 372,206</u>	<u>\$ 155,266</u>

Changes in long-term obligations for the year ended September 30, 2018, are as follows:

	Balance at 10/01/2017	Additions	Reductions	Balance 9/30/2018	Amount due within 1 year
Loan payable	\$ -	\$ 143,760	\$ 25,727	\$ 118,033	\$ 46,525
Compensated absences	235,861	29,183	-	265,044	107,831
	<u>\$ 235,861</u>	<u>\$ 172,943</u>	<u>\$ 25,727</u>	<u>\$ 383,077</u>	<u>\$ 154,356</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019 and 2018

Loan payable: Under an agreement dated March 1, 2018, the Authority agreed to pay \$143,760 for parking equipment. The agreement calls for thirty-six monthly payments of \$4,422 beginning April 1, 2018. The agreement carries an interest rate of 6.5% per annum and is secured by the parking equipment. The principal balances at September 30, 2019 and 2018, respectively, were \$71,508 and \$118,033.

Principal and interest payments in subsequent years:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 49,764	\$ 3,300
2021	21,744	366
	<u>\$ 71,508</u>	<u>\$ 3,666</u>

Compensated Absences: All employees receive 96 hours of sick leave per year with no maximum accrual. Vacation is received based on years of service. Those having one to two years of service receive 80 hours of vacation annually and the hours received increase 8 hours per year for every two years of service. Compensated absences consist of accrued vacation, comp time and 25% of accrued sick leave that would be paid upon termination of employment. The balances at September 30, 2019 and 2018, respectively, were \$300,698 and \$265,044.

Note 6. Pension Plan

The Authority adopted the Friedman Memorial Airport 401(a) Plan (Plan) on January 1, 2015, for its employees. The Plan is a defined contribution money purchase pension plan administered by the Authority. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Authority. The Authority is required to contribute 11.61% of each employee's annual gross compensation to individual employee accounts for each employee. No employee contributions are permitted. The Authority recognized pension expense of \$133,144 and \$125,471 for the years ended September 30, 2019 and 2018, respectively. Employees are immediately vested in the contributions they receive and the earnings on those contributions. The Authority had no liability to the Plan at September 30, 2019 and 2018.

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. Employees contributed \$124,324 and \$85,214 for the years ended September 30, 2019 and 2018.

Note 7. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 8. Concentrations

The Authority enters into contracts with service providers at the Airport. Because of physical space limitations at the airfield, there are limited facilities available for service providers. During the current year, there were three airlines that provide scheduled commercial service, one fixed-base operator which is the sole fuel provider, one concessionaire, one parking management company and three rental car agencies.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019 and 2018

Note 9. Lease Revenue

The Authority leases portions of its property to commercial airlines, car rental companies, concessionaires, fixed base operator(s) who provide support services to the airlines, general aviation users of the airport, and private hangar owners/operators. Hangars owned by the Authority are also leased out. The airlines and some concessionaires lease on a month to month basis. The long-term leases can only be terminated by buying out the lease and vary from 3 to 20 years. Some of these leases are increased annually by an inflation factor based on the CPI. These inflation rates are unknown and have not been included in amounts calculated. The Authority cannot determine the cost of property held for leasing and the accumulated depreciation thereon as there are multiple leases of portions of specific assets.

The projected lease revenue at current rates is as follows:

Year Ended September 30	
2020	\$ 994,250
2021	954,238
2022	863,006
2023	834,279
2024	830,463
2025 to 2029	3,908,131
2030 to 2034	1,503,182
2035 to 2038	397,058
Total	<u>\$ 10,284,607</u>

Note 10. Operating Leases

Total operating lease expenditures for the years ended September 30, 2019 and 2018, were \$49,711 and \$60,940, respectively.

The Authority leases postage equipment under a noncancelable operating lease agreement with a term in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreement are as follows:

Year Ending September 30.	Total
2020	\$ 1,171
2021	1,171
2022	1,171
2023	292
	<u>\$ 3,805</u>

Note 11. Passenger Facility Charges

Passenger Facility Charges (PFC) at the rate of \$4.50 per enplaned passenger have been imposed by the Authority under a Federal Aviation Administration (FAA) approved application, PFC 14-09-C-00-SUN/PFC 15-10-U-00-SUN, effective July 1, 2014 to July 1, 2028, in the amount of \$2,787,259. The total amount has been approved for use. PFC revenue is used as matching funds for capital projects funded with Airport Improvement Project funds. There was no deferred revenue at September 30, 2019 and 2018.

The following schedule shows the amounts collected and expended:

	2019		2018
	Receipts	Expenditures	Receipts Expenditures
PFC 14-09-C-00-SUN/ PFC 15-10-U-00-SUN	\$ 411,321	\$ 416,748	\$ 370,768 \$ 331,402

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2019 and 2018

Note 12. Capital Contributions

During the years ended September 30, 2019 and 2018, the Authority received the following capital contributions:

	<u>2019</u>	<u>2018</u>
Federal grants	\$ 1,540,903	\$ 2,106,461
Other sources	<u>40,000</u>	<u>-</u>
	<u>\$ 1,580,903</u>	<u>\$ 2,106,461</u>

Note 13. Commitments

The Authority had three open grants from the U.S. Department of Transportation Airport Improvement Program (AIP) as of September 30, 2019. A summary of these projects is as follows:

Project Description

AIP 46 Acquire Aircraft Rescue & Fire Fighting Vehicle and protective clothing; Acquire Snow Removal Equipment

AIP 47 Remove Obstructions; Acquire Aircraft Rescue

AIP 48 Acquire Land for Approaches

	<u>Total Budget</u>	<u>Federal Awards</u>	<u>Expenditures to date</u>
AIP 46	\$ 99,470	\$ 93,253	\$ 82,029
AIP 47	710,018	665,642	67,049
AIP 48	<u>2,335,000</u>	<u>2,276,625</u>	<u>549,871</u>
	<u>\$ 3,144,488</u>	<u>\$ 3,035,520</u>	<u>\$ 698,949</u>

Note 14. Contingencies

The Authority has been committed to partnering with the community and the FAA to improve air service and safety at the current site while also maintaining that the airport may need to be relocated in the future. This "Dual Path Forward" is the preferred approach to addressing the airport within the community. The dual path approach supports the community's desire to maintain or increase air service, improves safety and reliability at the existing airport and enables the Authority to continue researching other alternatives. The Authority is committed to continue the endeavor to relocate the airport when and if an acceptable site can be identified and funding can be secured.

Note 15. Related Party Transactions

The City of Hailey, Idaho, is one of the entities that created the Authority by entering into a Joint Powers Agreement. The Authority contracts with the City of Hailey for certain security services and reimburses the City for the cost of these services. The Authority also pays the City of Hailey for sewer, water and garbage collection at the same rates as other customers. Other services may also be contracted for at comparable rates as others are charged. The amounts paid for these services are as follows:

	<u>2019</u>	<u>2018</u>
Security services	\$ 4,474	\$ 3,264
Utilities for FMAA	25,738	18,263
ARFF Training	854	964

The amount due to the City of Hailey at September 30, 2019, is \$4,250 and was paid within 60 days. The amount due to the City of Hailey at September 30, 2018, is \$2,790 and was paid within 60 days.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019 and 2018

Blaine County, Idaho, is one of the entities that created the Authority by entering into a Joint Powers Agreement. The Authority paid Blaine County for a grant filing fee related to AIP 47. The amounts paid are as follows:

	<u>2019</u>	<u>2018</u>
Contracts	\$ 108	\$ -

There was nothing due to Blaine County at September 30, 2019 or 2018.

Note 16. Subsequent Event

On November 10, 2018, the Authority signed an agreement to acquire real property for a total purchase price of \$2,261,000. The grant funding was obtained from the FAA and the closing occurred on November 22, 2019.

SUPPLEMENTARY INFORMATION

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>(Under)</u>
			<u>Basis</u>	<u>Budget</u>
Operating Revenue:				
Airlines	\$ 580,000	\$ 580,000	\$ 555,206	\$ (24,794)
Automobile rental	764,745	764,745	717,833	(46,912)
Auto parking	475,000	475,000	500,053	25,053
Rents, fees, commissions and leases	1,854,190	1,854,190	1,823,406	(30,784)
Fuel flowage fees	355,000	355,000	363,004	8,004
Other operating revenue	-	-	22,831	22,831
Total Operating Revenue	<u>4,028,935</u>	<u>4,028,935</u>	<u>3,982,333</u>	<u>(46,602)</u>
Operating Expenses:				
Employee wages, benefits and taxes	1,775,046	1,775,046	1,632,326	(142,720)
Supplies	161,000	161,000	142,025	(18,975)
Utilities	152,650	152,650	146,061	(6,589)
Services and contracts	592,925	592,925	754,936	162,011
Repairs and maintenance	418,450	418,450	449,698	31,248
Insurance	50,692	50,692	50,692	-
Other operating expense	290,675	290,675	264,724	(25,951)
Total Operating Expenses	<u>3,441,438</u>	<u>3,441,438</u>	<u>3,440,462</u>	<u>(976)</u>
Operating Income	<u>587,497</u>	<u>587,497</u>	<u>541,871</u>	<u>(45,626)</u>
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	380,000	380,000	411,321	31,321
Interest income	24,550	24,550	44,588	20,038
Interest expense	(6,600)	(6,600)	(6,545)	55
Local match contributions	-	-	-	-
Federal grants	369,700	369,700	-	(369,700)
Federal grant expenditures	(365,000)	(365,000)	-	365,000
Total Nonoperating Revenue and (Expenses)	<u>402,650</u>	<u>402,650</u>	<u>449,364</u>	<u>46,714</u>
Capital Contributions	<u>4,877,610</u>	<u>4,877,610</u>	<u>1,580,903</u>	<u>(3,296,707)</u>
Capital Expenditures	<u>(6,561,633)</u>	<u>(6,561,633)</u>	<u>(1,777,357)</u>	<u>4,784,276</u>
Change in Net Position	<u>\$ (693,876)</u>	<u>\$ (693,876)</u>	<u>\$ 794,781</u>	<u>\$ 1,488,657</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
RECONCILIATION OF BUDGETARY BASIS TO GAAP
For the Year Ended September 30, 2019

	<u>Actual Budgetary Basis</u>	<u>GAAP Basis</u>	<u>Difference</u>	<u>Number of Explanation</u>
Operating Revenue:				
Airlines	\$ 555,206	\$ 555,206	\$ -	
Automobile rental	717,833	717,833	-	
Auto parking	500,053	500,053	-	
Rents, fees, commissions and leases	1,823,406	1,823,406	-	
Fuel flowage fees	363,004	363,004	-	
Other operating revenue	22,831	22,831	-	
Total Operating Revenue	<u>3,982,333</u>	<u>3,982,333</u>	<u>-</u>	
Operating Expenses:				
Employee wages, benefits and taxes	1,632,326	1,667,980	35,654	1
Supplies	142,025	142,025	-	
Utilities	146,061	146,061	-	
Services and contracts	754,936	754,936	-	
Repairs and maintenance	449,698	449,698	-	
Insurance	50,692	50,692	-	
Other operating expense	264,724	264,724	-	
Depreciation	-	3,584,636	3,584,636	2
Total Operating Expenses	<u>3,440,462</u>	<u>7,060,752</u>	<u>3,620,290</u>	
Operating Income	<u>541,871</u>	<u>(3,078,419)</u>	<u>(3,620,290)</u>	
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	411,321	411,321	-	
Interest income	44,588	44,588	-	
Interest expense	(6,545)	(6,545)	-	
Gain (loss) on disposition of capital assets	-	-	-	4
Local match contributions	-	-	-	
Federal grants	-	-	-	
Federal grant expenditures	-	-	-	
Total Nonoperating Revenue and (Expenses)	<u>449,364</u>	<u>449,364</u>	<u>-</u>	
Capital Contributions	<u>1,580,903</u>	<u>1,580,903</u>	<u>-</u>	
Capital Expenditures	<u>(1,777,357)</u>	<u>-</u>	<u>1,777,357</u>	3
Change in Net Position	<u>\$ 794,781</u>	<u>\$ (1,048,152)</u>	<u>\$ (1,842,933)</u>	

1. Accruals of compensated absences are not budgeted but are reported for GAAP.
2. Depreciation expense is not budgeted but is reported for GAAP.
3. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
4. Gain or loss on disposition of capital assets is not budgeted but is reported for GAAP.

FEDERAL REPORTS

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

To the Board
Friedman Memorial Airport Authority
Hailey, Idaho

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Friedman Memorial Airport Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Friedman Memorial Airport Authority's basic financial statements, and have issued our report thereon dated January 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friedman Memorial Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Meridian, Idaho
January 7, 2020

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

To the Board
Friedman Memorial Airport Authority
Hailey, Idaho

Report on Compliance for Each Major Federal Program

We have audited Friedman Memorial Airport Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Friedman Memorial Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and The Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Friedman Memorial Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Friedman Memorial Airport Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Friedman Memorial Airport Authority, 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 September 30, 2019.





Report on Internal Control over Compliance

Management of Friedman Memorial Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Meridian, Idaho
January 7, 2020

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended September 30, 2019**

Federal Grantor Program Title:	Federal CFDA Number	Total Federal Expenditures
<u>Department of Transportation Programs</u>		
Airport Improvement Program	20.106	\$ 1,540,903
<i>Total Department of Transportation Programs</i>		<u>1,540,903</u>
 Total Expenditures of Federal Awards		 <u>\$ 1,540,903</u>

See accompanying notes to schedule of expenditures of federal awards.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Friedman Memorial Airport Authority under programs of the federal government for the year ended September 30, 2019. The Information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Friedman Memorial Airport Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Friedman Memorial Airport Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Friedman Memorial Airport Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified?
- Significant deficiencies identified that are not considered to be material weaknesses?

_____ yes X no
_____ yes X none reported

Noncompliance material to the financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness identified?
- Significant deficiencies identified that are not considered to be material weaknesses?

_____ yes X no
_____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?

_____ yes X no

Identification of major programs:

CFDA Number

Name of Federal Program

20.106

Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

_____ yes X no

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2018

There were no prior audit findings

Financial Statements

Friedman Memorial Airport Authority
Passenger Facility Charge Program Financial Report
September 30, 2019



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

To the Board
Friedman Memorial Airport Authority
Hailey, Idaho

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General fund of Friedman Memorial Airport Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Friedman Memorial Airport Authority's basic financial statements, and have issued our report thereon dated January 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friedman Memorial Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Meridian, Idaho
January 7, 2020

DISCUSSION
DRAFT

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON THE PASSENGER FACILITY CHARGE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of
Friedman Memorial Airport Authority
Hailey, Idaho

Report on Compliance

We have audited the compliance of Friedman Memorial Airport Authority (the Authority) with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the types of compliance requirements referred to above. 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 Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on its passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 the passenger facility charge 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charges Collected and Expended – Cash Basis

We have audited the financial statements of Friedman Memorial Airport Authority as of and for the year ended September 30, 2019, and have issued our report thereon dated January 7, 2020 which contained an unmodified opinion on those financial statements as a whole. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 passenger facility charges collected and expended – cash basis is fairly stated in all material respects in relation to the financial statements as a whole.

Meridian, Idaho
January 7, 2020

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
Year Ended September 30, 2019 and Each Quarter During the Year Ended September 30, 2019
With Cumulative Totals as of September 30, 2019

	<u>September 30, 2018 Program Total</u>	<u>Quarter 1 October to December</u>	<u>Quarter 2 January to March</u>	<u>Quarter 3 April to June</u>	<u>Quarter 4 July to September</u>	<u>Year Ended September 30, 2019 Total</u>	<u>September 30, 2019</u>
Revenue:							
Collections	\$ 1,243,973	\$ 119,132	\$ 68,698	\$ 85,615	\$ 137,876	\$ 411,321	\$ 1,655,294
Rollover from prior PFC	84,403	-	-	-	-	-	84,403
Interest	864	10	35	29	14	88	952
Total Revenue	<u>1,329,240</u>	<u>119,142</u>	<u>68,733</u>	<u>85,644</u>	<u>137,890</u>	<u>411,409</u>	<u>1,740,649</u>
Disbursements:							
Application 14-09-C-00-SUN/15-10-U-00-SUN							
001 RSA Formulation	44,375	-	-	-	-	-	44,375
002 Acquire SRE	472,279	-	-	-	-	-	472,279
003 Master Tax Plan	550,000	-	-	-	-	-	550,000
004 Relocate SW Taxiway Bypass	83,480	-	-	-	-	-	83,480
005 Relocate GA Apron	67,208	-	-	-	-	-	67,208
006 Perimeter Fence Relocation	11,365	-	-	-	-	-	11,365
007 RSA Grading	37,387	100,000	-	52,431	-	152,431	189,818
008 Relocate Taxiway A & Obliterate Taxiway B	-	-	-	160,144	104,173	264,317	264,317
009 Relocate Power to PAPI	5,196	-	-	-	-	-	5,196
019 PFC Administration	16,920	-	-	-	-	-	16,920
Total Disbursements	<u>1,288,210</u>	<u>100,000</u>	<u>-</u>	<u>212,575</u>	<u>104,173</u>	<u>416,748</u>	<u>1,704,958</u>
Net PFC Revenue	<u>\$ 41,030</u>	<u>\$ 19,142</u>	<u>\$ 68,733</u>	<u>\$ (126,931)</u>	<u>\$ 33,717</u>	<u>\$ (5,339)</u>	<u>\$ 35,691</u>
PFC Account Balance	<u>\$ 41,030</u>	<u>\$ 60,172</u>	<u>\$ 128,905</u>	<u>\$ 1,974</u>	<u>\$ 35,691</u>	<u>\$ 35,691</u>	<u>\$ 35,691</u>

See accompanying notes to Schedule of Expenditures of Passenger Facility Charges

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTE TO SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
For the Year Ended September 30, 2019

Note 1. Program Description

The Schedule of Expenditures of Passenger Facility Charges presents only the activity of the Passenger Facility Charges Program of the Friedman Memorial Airport Authority. Passenger Facility Charges are fees imposed by the Authority on enplaned passengers for the purpose of generating revenue for Authority projects that increase capacity, increase safety, and/or mitigate noise impact.

Note 2. Basis of Accounting

The Schedule of Expenditures of Passenger Facility Charges presents the revenues received from Passenger Facility Charges and expenditures incurred on approved projects on the cash basis of accounting.

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**PASSENGER FACILITY CHARGES SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019**

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2019.

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**PASSENGER FACILITY CHARGES SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2019**

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2018.

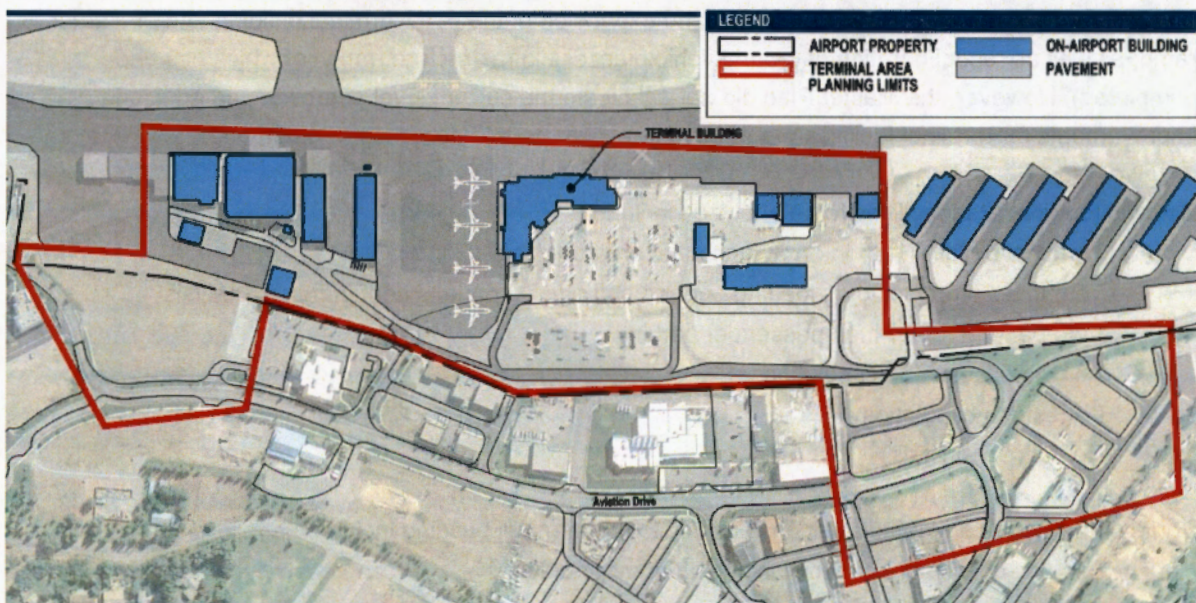
DISCUSSION
DRAFT

Exhibit A
Terminal Area Planning Study
Scope of Services
December 23, 2019
Friedman Memorial Airport
Hailey, Idaho

The Friedman Memorial Airport Authority (FMAA), owner/operator of the Friedman Memorial Airport (the Airport, or SUN) wishes to prepare a Terminal Area Plan (TAP) for the Airport and has established a specific direction to be taken toward the preparation of this plan. The following work program describes the effort required to complete the TAP for SUN based on these stated desires, addressing terminal building renovation/expansion needs while also addressing the terminal area layout needs for potential future facilities and providing a program for realistic implementation, including design and construction.

The purpose of the project is to prepare a preferred, detailed facilities layout "concept" plan for development within the terminal area at the Airport. For this project, the "terminal area" is defined as indicated in the graphic below. The "terminal building" is defined as the commercial service terminal and its immediately adjacent support facilities such as ramp and parking. This project will limit its analysis to the defined terminal area, with the exception that facilities unrelated to passenger operations that would be adversely impacted by proposed development will be identified and potential relocation and/or mitigation strategies will be recommended. Mead and Hunt (Consultant) will lead and manage the development of the TAP, as specified in this Scope of Services. The project planning team will be comprised of the Consultant Team and Airport Management, in coordination with the FAA Helena ADO.

Figure 1: SUN Terminal Area Planning Limits



Source: SUN Airport Master Plan

The focus of the TAP is to make recommendations for the expansion/redevelopment/renovation of the terminal building, as well as the appropriate use of land parcels in the terminal area. The project will include programming to determine appropriate sizes for terminal building components, aircraft and automobile parking, and other airport facility needs that are quantifiable based on the development of new aviation demand forecasts which will be generated as part of the TAP preparation effort. Programming will then be converted into plan options. A preferred option (with phasing if required) will be developed with preliminary cost estimates and FAA AIP eligibility study. The Terminal Area Plan will assess needs for the short-term planning range (1-5 years), the medium-term planning range (6-10 years) and the long-term planning range (11-20 years).

The TAP is not intended to provide detailed floor plans, interior design or architectural building elevations or renderings for proposed structures. Its scope is limited to only the planning of the terminal area facilities and the passenger terminal building. Preliminary architectural and engineering design is not included in this project, except for conceptual development necessary to create viable planning alternatives and phasing as described herein.

Problem Statement and Background Information

The Airport's most pressing planning issues relate to serving air carrier passengers safely, efficiently, and with a high level of service. The recently completed Master Plan projected strong growth in passenger enplanements and air carrier operations at SUN, but the Airport has surpassed the expectations of the Master Plan forecast in the last few years. The Master Plan projected enplanements increasing from 66,409 in 2014 to 78,797 in 2019. However, the Airport served over 94,000 enplanements in 2018, approximately 20 percent more passengers than anticipated by the Master Plan. Air carrier aircraft operations are also growing faster than forecasted. While the increase in air carrier activity is a positive for the community and the Airport, it has put an increasing strain on passenger terminal facilities at SUN. The Master Plan recommended renovation and expansion of the SUN terminal building and air carrier ramp, as well as reconfiguration of ground vehicle access infrastructure (much of which has been completed). However, the Master Plan did not anticipate the current level of growth and additional improvements for terminal facilities are needed to accommodate demonstrated demand.

Specific terminal area facilities to be analyzed include:

- Terminal building with internal functional area analysis
- Terminal Apron including loading bridges and aircraft parking configuration analysis
- Auto parking (other than passenger parking)
- Vehicle access and circulation
- Pedestrian circulation
- Rental car facilities

Some of the issues and considerations specific to the terminal building include the following:

- Security checkpoint capacity including number of lanes
- Secure hold room capacity and associated areas (i.e. circulation, restrooms, and support spaces)
- Concessions location and sizing
- Non-secure public circulation, viewing, and waiting space

- Terminal building vehicle parking (passenger parking)
- Air carrier aircraft apron

Terminal area facilities and the terminal building will be laid out in consideration of FAA design standards and Part 77 airspace obstruction standards.

Project Scope Elements

The following sections describe the recommended project scope elements for this Terminal Area planning effort.

1. Study Design
2. Project Management, Coordination, Communication
3. Forecasts of Aviation Activity
4. Terminal Area Facility Requirements
5. Initial Terminal Area Development Alternatives
6. Initial Terminal Building Development Alternatives
7. Refined Terminal Area Concept, Development Program, and Meetings
8. Refined Terminal Building Concept and Development Program
9. Financial Feasibility Analysis
10. Documentation

All scope elements will be accomplished in accordance with current Federal regulations, policy, guidance and Advisory Circulars (ACs), including:

- AC 150/5070-6B - *Airport Master Plans*,
- AC 150/5300-13A, *Airport Design*,
- AC 150/5360-13, *Planning and Design Guidelines for Airport Terminal Facilities*, and
- AC 150/5360-9, *Planning and Design of Airport Terminal Facilities at Non-Hub Locations*.

The following TRB Airport Cooperative Research Program Reports and other industry standard guidance documents will also be consulted:

- ACRP Report No. 25. *Airport Passenger Terminal Planning and Design, Volume 1: Guidebook*,
- ACRP Report No. 55. *Passenger Level of Service and Spatial Planning for Airport Terminals*,
- ACRP Report No. 130. *Guidebook for Terminal Restroom Planning and Design*,
- ACRP Report 157. *Improving the Airport Customer Experience*,
- *National Safe Skies Alliance PARAS (Program for Applied Research in Airport Security), Recommended Security Guidelines for Airport Planning, Design, and Construction*,
- *Transportation Security Administration Airport Security Design Guidelines*, and
- *IATA Airport Development Reference Manual*.

Meetings and Trips

This scope of services includes the following meetings and trips, as discussed in the applicable project scope element sections. Efforts will be made to hold multiple meetings on the same trip, when possible and appropriate.

- Up to three (3) FMAA Board presentations, as necessary, two (2) of which would occur on the same trip as the stakeholder meetings and one (1) of which would be a standalone trip (see Section 2.2)
- Project kick-off and information gathering meetings with stakeholders (see Section 4.2)
- Stakeholder planning workshop (see Section 6.3)
- Refined concept review meetings with stakeholders (see Section 8.4)
- One (1) on-site meeting for financial analysis, as necessary (see Section 9.3)

1. STUDY DESIGN

1.1 Project Scope, Fee Estimate and Contract

It is important at the onset of the planning process to define a detailed Scope of Services. The study design includes development of a comprehensive Scope of Services, definition of effort necessary to accomplish the work scope, and preparation of realistic work effort and fee estimates for completing the work. It also serves to organize the project planning team so that the necessary study efforts are effectively executed, and the participant roles and responsibilities are clearly defined. This task includes preparation of a preliminary draft scope of services to be submitted for Airport and FAA staff review and comment. This scope includes up to two (2) conference calls with Airport and/or FAA staff to discuss the preliminary scope, and up to three (3) rounds of revisions to address Airport and FAA comments. Deliverables include the final scope, agreed-upon lump sum project planning budget, and executed agreement for the proposed planning work.

2. PROJECT MANAGEMENT, COORDINATION, COMMUNICATION

2.1 Project Coordination, Management Oversight and Quality Control

The Consultant will work with Airport Management, the FMAA, and interested parties to develop a plan that reflects airport development needs compliant with FAA airport design standards and Part 77, as well as the character of the community. To ensure consistency throughout the project in terms of written and graphic communication, the Consultant will be responsible, through regular in-house meetings and communications, for quality control, final word processing, proof-reading, editing, final graphics, presentation graphics, and production of all documents, including working papers, technical memorandums, draft reports, final reports, summary brochures, and others if included in the scope.

2.2 Manage Sponsor and FAA Review and Input Process (including FMAA Board meetings)

A Sponsor review and input process will be established and include regularly scheduled conference calls with Airport Management. Additionally, chapters of the TAP will be produced and grouped as Working Papers and sent to the Airport and FAA at the appropriate times during the planning process. The role of Airport Management will be to review the Working Papers, provide input, and generally serve in an advisory capacity to the Consultant.

The Consultant will develop a schedule for conducting the TAP, updating it as appropriate with the approval of Airport Management. This scope of services includes up to three (3) in-person presentations to the FMAA Board at their regularly scheduled meetings. These are expected to occur at the following milestones: 1) project kick-off, 2) refined concepts and development programs, and 3) draft final report.

Two (2) of the Board presentations are expected to occur on the same trip as the stakeholder meetings, while one (1) of the presentations would require a standalone trip.

2.3 Progress Meetings

Regular meetings and discussions will be held between the Consultant and Airport Management. It is envisioned that the meetings will be held during development of the TAP via regular telephone discussions as required. The purpose of the meetings will be to report on progress made on the TAP since the prior meeting, receive input, report on important phases or sub-phases that have been completed, identify problems encountered for the purpose of resolution, evaluate and select alternatives presented, and generally afford an opportunity to review the work and findings at various stages of completion. This scope includes up to 12 telephone status briefings to be attended by up to two (2) Mead & Hunt staff.

3. FORECASTS OF AVIATION ACTIVITY

3.1 Forecast Development and Working Paper

Updated forecasts will be critical in determining future Airport requirements, analyzing alternative development plans, and assessing the financial feasibility of proposed improvements. This task includes a comprehensive update to the Master Plan air carrier forecasts (operations and enplanements) to reflect the most recent available activity data and trends. The peak hour air carrier enplanement and operations forecasts will also be updated, and the future air carrier fleet mix will be re-evaluated as new entries to the regional jet and narrow-body jet fleet may change available capacity and potential range. No changes to the Master Plan general aviation forecasts (operations and based aircraft) will be made and these numbers will be summarized in the chapter. The data used to generate the forecasts will be obtained primarily from FAA and Sponsor records, with assistance from the Airport's Mead & Hunt air service analyst as necessary.

Initially, the forecasting effort will include preparation of assumptions that will be used as the basis for the projections. The assumptions will be coordinated with and accepted by both the FMAA and the FAA prior to developing the actual forecasts.

Projections of short-, intermediate-, and long-term demand levels (5, 10, and 20 years) will be developed. Appropriate local, regional, state, and national aviation trends will be investigated to generate up to three (3) different forecast scenarios (low, medium, and high) for passenger enplanements, commercial passenger air carrier operations, general aviation operations, and based aircraft, using industry standard forecasting methodologies, including market share, time series, socioeconomic, and regression methods. Preferred forecasts will be selected with input from the Sponsor. A working paper summarizing the forecasts with appropriate graphics, charts, maps, and drawings will be submitted for FAA review, comment, and approval.

3.2 Sponsor and FAA Forecast Coordination

This scope includes one round of working paper revisions to address Sponsor comments and one round of working paper revisions to address FAA comments. Once approved by FAA, the findings will be integrated as a chapter in the final TAP report.

4. TERMINAL AREA FACILITY REQUIREMENTS

4.1 Master Plan Facility Requirements Review

This task includes a summary and review of Chapter C, *Capacity Analysis and Facility Requirements*, from the 2018 Master Plan regarding Terminal Area Facilities. This task also includes documenting any changed conditions and facilities determined needed or potentially needed in the Terminal Area since completion of the Master Plan, based on updated forecasts. The space requirements and access needs for such facilities will be documented. This scope assumes that Mead & Hunt will be provided access to all available drawings of the terminal.

4.2 Kick-Off and Information Gathering Meetings

Mead & Hunt will work with Airport staff to plan and organize kick-off meetings to be held over the course of two days at the Airport. This includes development of a key stakeholder list and preparation of an information package to be used as a basis for discussion. These meetings will include the following:

1. Kick-off meeting with the Airport Management
2. Information gathering meetings with key stakeholders, including airlines, rental car agencies, concessionaire(s), etc.
3. Building investigations by architecture and engineering professionals (no structural investigation)
4. Anticipated attendees by Consultant Team are:
 - a. Project Manager (Mead & Hunt)
 - b. Project/Terminal Planner (Mead & Hunt)
 - c. Consulting Engineer (T-O Engineers)
 - d. Terminal Architect (Mead & Hunt)

4.3 Terminal Area Facility Requirements and Terminal Building Program Update

In order to develop concept level alternatives for the terminal area, the requirements identified in the Master Plan will need to be updated in consideration of the Terminal Area Plan forecasts of aviation activity. Detailed air service analysis will not be conducted for the project. The program will be defined by the peak hour as determined in Task 3.1. Once established, this peak hour will be the basis for terminal building program and design options.

For the terminal building, this will include estimates of space needs for each functional area within the building. For the larger terminal area, this will include estimates of demand for additional passenger, employee, and rental car parking spaces; improved vehicle and pedestrian circulation; and additional air carrier apron parking capacity.

Terminal building space requirements will be determined based on passenger forecasts. The terminal functional components include the following:

- Administration offices (airline administration and parking management) Aircraft gates
- Airline Ticket Office (ATO): Ticket counters and passenger queuing areas, ground service operations, and airline storage
- Baggage claim and temporary storage
- Baggage make-up and staging
- Building storage and janitor rooms

- Building systems: electrical, HVAC, plumbing, fire protection, and emergency generator
- Car rental office, counters and passenger queueing
- Checked baggage security screening
- Circulation and passenger conveyance
- Concessions including retail, food/beverage, and advertising (both secure and non-secure)
- Curbside
- Gate pre-departure and departures lounges
- Ground Service Equipment (GSE) storage/parking
- Parking
- Passenger waiting and meeter/greeter areas
- Restrooms (both secure and non-secure)
- Security screening checkpoint
- Transportation Security Administration (TSA) offices and operations
- Pet Relief Station (both secure and non-secure)

5 INITIAL TERMINAL AREA DEVELOPMENT ALTERNATIVES

5.1 Initial Terminal Area Development of Alternatives

Based on the demand analysis, up to three (3) conceptual terminal area development alternatives will be produced as determined necessary to meet demand for the 20-year planning period while fully meeting FAA design standards within the terminal area planning limits. Estimated timing of required improvements will also be identified. The terminal area alternatives will focus on the issues that are most important to the future growth and development within the terminal area excluding the terminal building envelope. The purpose of this initial concept development phase is to establish the general planning framework that will be refined into a more detailed concept under subsequent tasks. These initial alternatives will include consideration of a new "conventional" Airport Traffic Control Tower (ATCT) or remote tower control room and camera mast facilities within the terminal area planning limits.

One (1) conceptual terminal area development alternative will be produced for the long-term relocation of the terminal to the area near the south end of the runway while fully meeting FAA design standards. It is anticipated that alternatives will be primarily confined to the identified terminal area plan limits, however it may be necessary to consider other locations should long-term development needs warrant. The alternative for the relocation of the terminal area will be a "space reservation" investigation only to address the question of how much room should be reserved to accommodate potentially needed long-term passenger terminal, along with its airside and landside support facilities. This relocation alternative will provide a "block concept" that illustrates a workable facility arrangement and will not include a detailed layout of terminal area facilities.

The following alternatives will be developed:

- Terminal apron layout alternatives, including loading bridge(s) and aircraft parking configurations
 - One (1) conceptual level layout.

- Vehicle parking, access and circulation – Up to two (2) conceptual level layouts. Consideration will be given to the building curbside and potential remote parking, rental car parking, and ready/return/gas facility.

Order-of-magnitude level construction cost estimates for each alternative will be provided. Construction cost estimates will be based on unit costs for recent civil projects and land acquisition costs, if appropriate, will be based on recent sale prices in the Airport area. These are not for budgetary purposes, but for the purpose of comparing relative costs of alternatives

6 INITIAL TERMINAL BUILDING DEVELOPMENT ALTERNATIVES

6.1 Development of Alternatives

Based on the demand analysis, up to three (3) alternative conceptual level floor plan layouts will be developed to meet forecast demand for the 20-year planning period, while fully meeting FAA design standards within the terminal area planning limits. The facility alternatives will focus on the issues that are most important to the future growth and development of the Airport terminal, in consideration of stakeholder input.

Order-of-magnitude level construction cost estimates for each alternative within the Terminal Area Planning Limits will be provided (this does not include the relocated terminal area alternative). These will be based on square foot costs for new and renovated construction and other significant cost items. These are not for budgetary purposes, but for the purpose of comparing relative costs of alternatives.

6.2 Terminal Area Facility Requirements and Initial Alternatives Working Paper

The consultant will develop a detailed working paper or planning memo describing the analysis included in Elements 4 through 6. The technical portions of the paper will be in terms which are easily understandable to a broad audience. The working paper will be considered a draft of a chapter (or chapters) of the TAP document and will provide information for subsequent decisions. Electronic (pdf format) copies of the working paper will be produced and distributed as required.

6.3 Stakeholder Planning Workshop

Mead & Hunt will work with Airport staff to plan and organize a stakeholder planning workshop to be held at the Airport. This includes development of a key stakeholder list and preparation of an information package to be used as a basis for discussion. The purpose of the workshop will be to review the terminal area facility requirements and initial alternatives with Airport Management and airport designated stakeholders. Anticipated attendees by Consultant Team are:

1. Project Manager (Mead & Hunt)
2. Project Architect (Mead & Hunt)
3. Project/Terminal Planner (Mead & Hunt)

7 REFINED TERMINAL AREA CONCEPT AND DEVELOPMENT PROGRAM

7.1 Preferred Alternative/Conceptual Development Plan and Cost Estimates

This task will include a refinement of the terminal area concept, proposed roadway configuration, vehicle parking, walkways, and conceptual construction phasing for each planning period of the preferred alternative. The Consultant will develop Planning Level cost estimates for the needs and improvements identified for roadways, taxiways and facilities as necessary for each planning period. Cost estimates will consider the necessary level of environmental review and associated costs.

7.2 Terminal Area Development Project List

Based on the Conceptual Development Plan in Task 7.1, a list of potential projects will be developed for inclusion in the Airport's Capital Improvement Program (CIP).

8 REFINED TERMINAL BUILDING CONCEPT AND DEVELOPMENT PROGRAM, MEETINGS AND DOCUMENTATION

8.1 Preferred Alternative/Conceptual Plan

Based on the preferred alternative for the development of the terminal, a conceptual plan will be prepared. This scope does not include an update to any of the Airport Layout Plan sheets. The conceptual plans will consider the following:

- Building/Zoning Code Summary
 - Site setbacks, easements
 - Height restrictions
 - Construction type
 - Occupancy type
 - Area summary
 - Exiting Requirements
- Site plan of vehicle parking, passenger drop-off, access and circulation
- Concept level floor plans
- Terminal apron layout including loading bridges, passenger walkways and aircraft parking configurations.
- Conceptual implementation phasing plan

8.2 AIP Eligibility Analysis

An Airport Improvement Program (AIP) eligibility analysis will be performed in accordance with the FAA AIP handbook to identify those portions of the terminal building and terminal area improvements that are eligible for AIP and/or PFC funding. The eligibility analysis will include the preferred alternative within the terminal area planning limits, but not the relocated terminal area.

8.3 Terminal Development Project List

The Conceptual Design Cost Estimates will be used to prepare a draft project list/capital improvement plan for the long-term terminal development. The project list will be finalized with Airport staff input and the selected projects and associated cost estimates will be incorporated into the Airport's FAA Airport Capital Improvement Program (ACIP).

8.4 On-site Meetings and Documentation

Mead & Hunt will work with Airport staff to plan and organize a final round of stakeholder meetings to be held over the course of two days at the Airport. This includes development of a key stakeholder list and preparation of an information package to be used as a basis for discussion. The purpose of these meetings will be to review selected terminal area and terminal building CDP with Airport Management and airport designated stakeholders. Anticipated attendees by Consultant Team are:

1. Project Manager (Mead & Hunt)
2. Project Architect (Mead & Hunt)
3. Project/Terminal Planner (Mead & Hunt)

The consultant will develop a detailed second working paper or planning memo describing the analysis from Elements 7 and 8. The technical portions of the paper will be in terms which are easily understandable to a broad audience. The working paper will include the terminal area and the terminal building Conceptual Development Plan and phasing plans for the preferred alternative. The working paper will be considered a draft of a chapter (or chapters) of the TAP document and will provide information for subsequent decisions. Electronic (pdf format) copies of the working paper will be produced and distributed as required.

9 FINANCIAL FEASIBILITY ANALYSIS

Using project costs and phasing recommendations for the preferred terminal area plan development alternative (preferred alternative), along with consideration of the Airport's most recent ACIP on file with the FAA, and enplanement projections produced by Mead & Hunt, Inc. as well as financial information collected from the Friedman Memorial Airport Authority (the Authority) and funding discussions with the FAA – Helena ADO, Ricondo & Associates, Inc. (Ricondo) will prepare a financial feasibility analysis to determine whether implementation of the preferred alternative is achievable through available funding sources while achieving adequate cash flow. The terminal area plan financial feasibility analysis will consist of the following tasks:

The financial feasibility analysis will consider estimated project costs, proposed timing (phasing) of improvements, and funding sources. To the extent practicable, the financial feasibility analysis will utilize information and methodologies included in previous financial planning efforts conducted by Ricondo on behalf of the Authority. As a result of this analysis, a recommended phasing of projects will be developed to achieve the goals and objectives of the Authority.

9.1 Terminal Area Plan Financial Feasibility Analysis

This task includes the preparation of a financial plan for carrying out the proposed capital improvement program for the preferred alternative and the Authority's goals and objectives. Included in the financial plan would be the identification and quantification of the need for and availability of specific funding sources, projections of revenues and expenses, and a cash flow analysis. The output of this effort would consist of a financial plan that the Authority can use as a basis for implementing the capital improvement plan associated with the preferred alternative and associated annual cash flow. A funding plan will be developed based upon estimated capital improvement costs and potential phasing of proposed projects prepared by Mead & Hunt, Inc. Funding sources to be examined will include Federal Aviation

Administration (FAA) Airport Improvement Program entitlement and discretionary funds, Passenger Facility Charge revenues, State funds, Customer Facility Charge revenues, third party funds, local funds, and bond proceeds. Additional funding sources may also be considered, as applicable and as directed by the Authority.

The financial feasibility analysis will assess, through the development of pro-forma financial projections, the financial implications associated with the implementation of the preferred alternative. Pro-forma projections of operating expenses, operating revenues, and capital requirements will be developed based upon enplanement projections developed by Mead & Hunt, Inc. Projections of operating revenues and expenses will be further based on assumptions regarding existing and anticipated future tenant leases, additional revenue enhancement opportunities, and estimated operating costs of the proposed capital development projects associated with the preferred alternative. Financial feasibility will be analyzed and measured primarily by calculating the potential impacts on tenant rates and charges (as applicable), Airport cash flow, bond covenant requirements should bond funding be feasible, and cost per enplaned passenger.

9.2 Financial Feasibility Analysis Working Paper

Ricondo will prepare an electronic version of the updated Airport rates and charges analysis based on the outputs associated with Task 9.1 and present it to the Authority. Ricondo will also schedule a conference call to review the assumptions and outcomes of the updated model. Once Authority feedback is obtained, Ricondo will update the financial model to incorporate changes discussed. This scope anticipates two further rounds of "back and forth" with the Authority to arrive at a final version of the updated financial model.

Upon acceptance of the financial model by the Authority, Ricondo will prepare a draft of the Terminal Area Plan Financial Feasibility Analysis Chapter. Upon receipt of Authority feedback on this Chapter, Ricondo will produce a final version of the Chapter for inclusion in the Terminal Area Plan document. Ricondo will further provide the Authority with an updated version of its rates and charges model in Microsoft Excel format. Should it be determined that that insufficient funding sources are readily available to fund the entire plan, Ricondo will identify the shortfall amounts and timing of shortfalls. Client to then be responsible for identifying and securing funding from other parties for the identified shortfall(s).

9.3 Meeting

The scope element recognizes that there is a potential that the consultant team may be required to attend/conduct an on-site meeting to present the recommended financial feasibility analysis. Prior permission from the Authority will be required to attend this on-site meeting and prepare associated meeting materials. If necessary, this meeting will be attended by one (1) Ricondo employee.

10 DOCUMENTATION

10.1 Executive Summary

The consultant will also develop a not more than 5-page Executive Summary outlining the study recommendations and terminal improvement concept for airport use in communicating with the general public about the program. The executive summary will be an 8 ½" x 11" format that will be produced in

the same hard copy quantities as the Draft and Final reports. One of the primary purposes of the Executive Summary is for it to be utilized in the FMAA review and approval process.

10.2 Draft and Final Reports

The Draft and Final Reports will be prepared that are compiled from the working documents presented in the TAP planning process which have been revised per comments received and will include a Conceptual Development Plan consisting of the preferred alternatives. Up to 12 draft report hard copies will be prepared and distributed as directed by the Airport sponsor. Following final revisions, up to 12 final report hard copies will be prepared and distributed as directed by the Airport sponsor.