

# 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 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.

Harris CPAs

Meridian, Idaho  
January 7, 2020



## 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 Friedman Memorial Airport Authority's (the Authority's) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, 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 compliance for the Authority's passenger facility charge program 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 requirements of 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 types of compliance 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 the related notes to the financial statements, which collectively comprise the Authority's financial statements. We issued our report thereon dated January 7, 2020 which contained an unmodified opinion on those financial statements as a whole. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

*Harris CPAs*

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

	September 30, 2018 <u>Program Total</u>	Quarter 1 October to December <u>December</u>	Quarter 2 January to March <u>March</u>	Quarter 3 April to June <u>June</u>	Quarter 4 July to September <u>September</u>	Year Ended September 30, 2019 Total	September 30, 2019 <u>Program Total</u>
<b>Revenue:</b>							
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
<b>Total Revenue</b>	<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>
<b>Disbursements:</b>							
<b>Application 14-09-C-00-SUN/15-10-U-00-SUN</b>							
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 Taxilane 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
<b>Total Disbursements</b>	<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>
<b>Net PFC Revenue</b>	<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>
<b>PFC Account Balance</b>	<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.

**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.



**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.