



Friedman Memorial Airport Authority

Regular Board Meeting

January 7, 2020





Approve Agenda





Public Comment

(10 Minutes)





Approval of Meeting Minutes

December 3, 2019 Regular Meeting





Reports



Reports

- ▶ Chairman Report
- ▶ Blaine County Report
- ▶ City of Hailey Report
- ▶ Fly Sun Valley Alliance Report
- ▶ Airport Manager's Report



Airport Manager's Report



Holiday Demand

- ▶ Terminal
 - Full and at capacity



Holiday Demand

- ▶ Air traffic demand
 - Dec. 21, 26, 27 and January 2, 4
 - ATC holds and delays
- ▶ Runway capacity vs. demand
 - Weather
- ▶ “Private jets get priority...”
 - They do not
 - FAA ATC system is first come, first serve
 - “Equal access to the National Airspace System”
 - In airspace
 - FAA Ground Delay Program(s)

Verizon LTE VPN 12:17 PM 80%



SUN

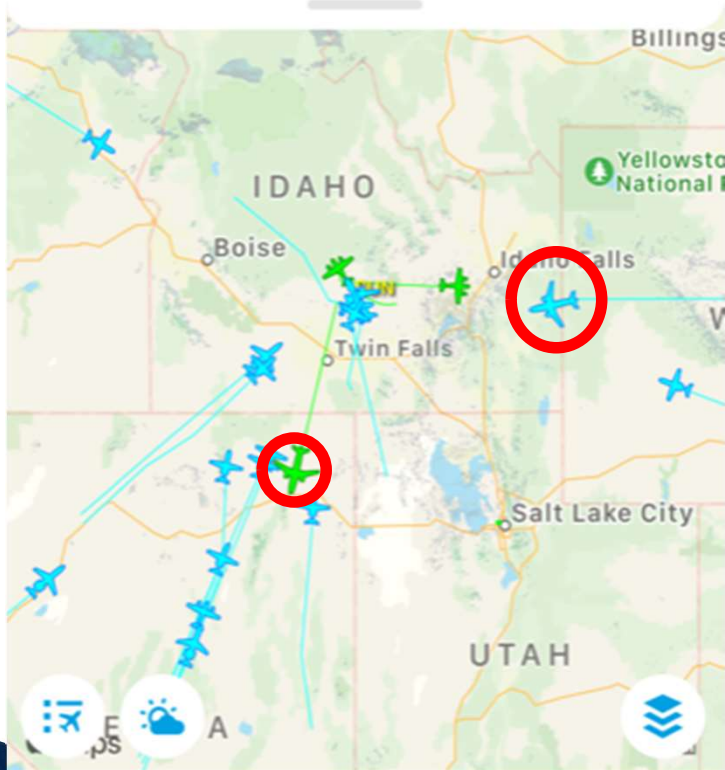


Friedman Memorial

Hailey, ID

LOCAL TIME
12:17 PM
MST

28°F Light winds, Partly cloudy
No major airport delays



Verizon LTE VPN 12:41 PM 76%



SUN

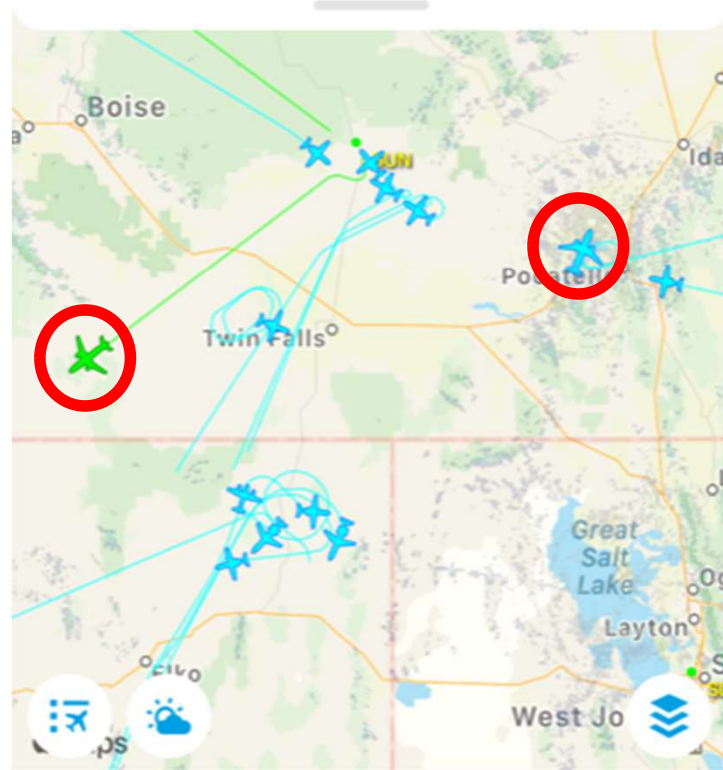


Friedman Memorial

Hailey, ID

LOCAL TIME
12:41 PM
MST

28°F Light winds, Partly cloudy
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Verizon LTE VPN 1:19 PM 64%



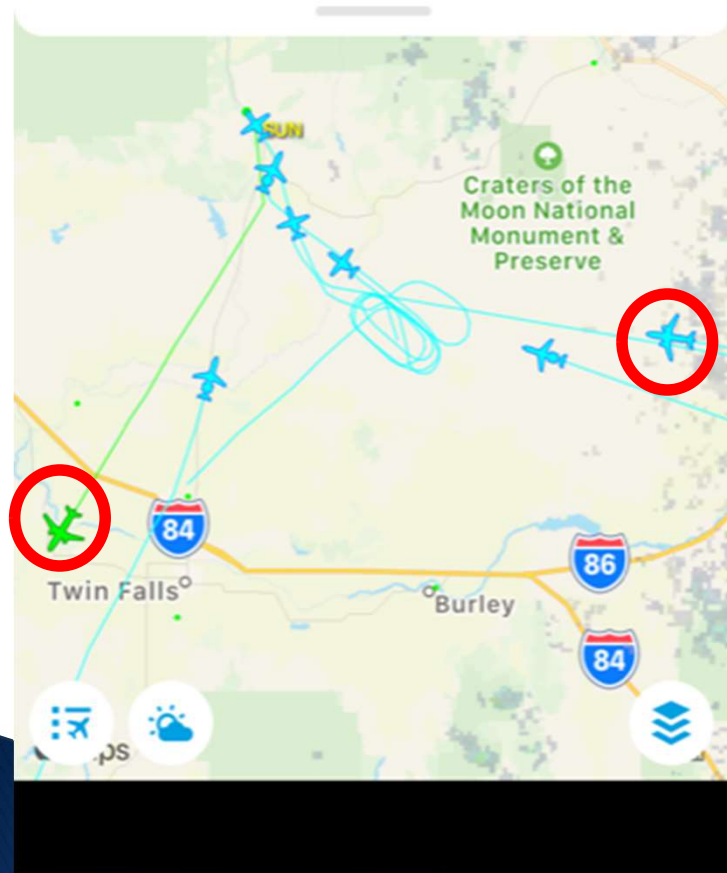
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Friedman Memorial Hailey, ID

LOCAL TIME
1:19 PM
MST

28°F Light winds, Partly cloudy
No major airport delays



Verizon VPN 10:54 AM 67%



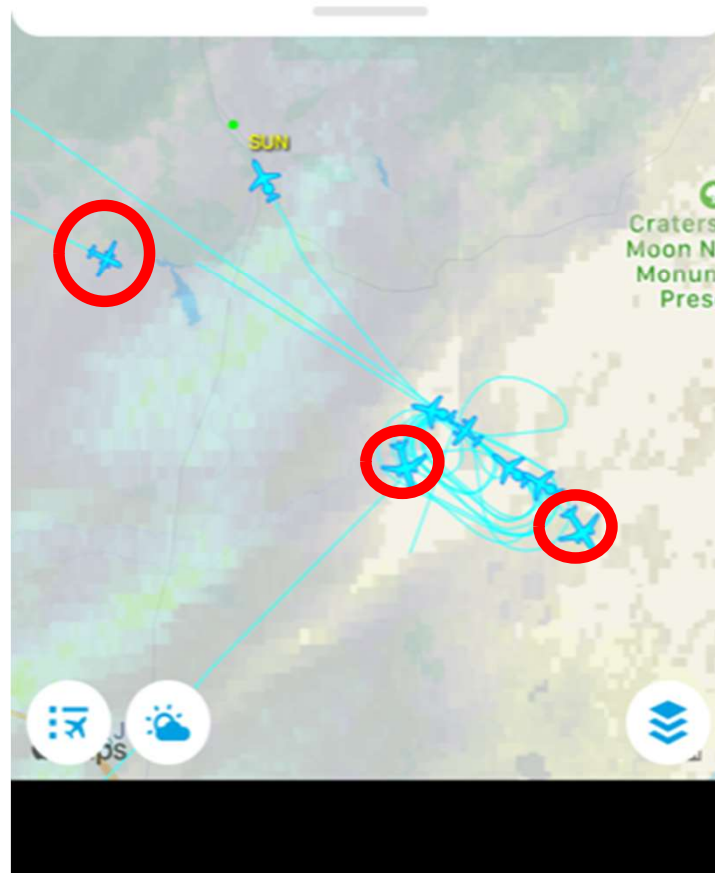
SUN



Friedman Memorial Hailey, ID

LOCAL TIME
10:54 AM
MST

27°F Light winds, Partly cloudy
No major airport delays



USCTA/NWAAAE/ACC

- ▶ USCTA Policy Board retreat
 - Monterey, CA
 - January 22–25

- ▶ NWAAAE Board retreat
 - Seattle, WA
 - February 18

- ▶ AAAE/ACC National Planning Conference
 - Speaker invite
 - Reno, NV
 - February 19



“On the Horizon”

- ▶ Employee Handbook Approval





Airport Staff Brief Questions





**Action
New Business**





Friedman Memorial Airport Authority

Presentation of Financial Statements for the
Year Ended September 30, 2019

Prepared by Laurie L. Harberd, CPA
Rexroat, Harberd & Assoc., P.A.
Jerome, Idaho

Reasons for Year-End Adjustments

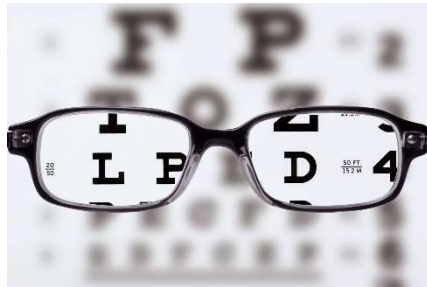
- ▶ Monthly financial statements prepared through QuickBooks on a modified accrual basis.
 - ▶ Receivables and payables are accrued monthly, however:
 - ▶ Capital outlay and loan payments are expensed
 - ▶ Provides better operating information on a monthly basis
- ▶ Full accrual accounting is required for the audited financial statements at year-end. This requires making year-end adjustments for:
 - ▶ Prepaid expenses
 - ▶ Accrued compensated absences
 - ▶ Moving capital outlay to either an asset account or CIP and recording depreciation
 - ▶ Moving loan payments to interest expense and loan payable
- ▶ Adjustment are in accordance with governmental accounting standards.

Management Discussion & Analysis

Pages 4-8






Prepared with the assistance of management.

Purpose of the MD&A is to provide a narrative explanation of the financial statements that enables the reader to see the entity through the eyes of management.



Financial Statements

Pages 9-11

- ❖ Statements of Net Position, page 9
 - ❖ Total Net Position decreased by 2% to \$55 million 
 - ❖ Unrestricted portion of Net Position increased 24% to \$3.6 million 
- ❖ Statements of Revenue, Expenses and Changes in Net Position, page 10
 - ❖ Operating loss increased slightly by 2%. 
 - ❖ Capital contributions from AIP grants decreased 25% to \$1.58 million 
- ❖ Statements of Cash Flows, page 11
 - ❖ Breaks down the cash flows and uses that resulted in an 11% decrease in cash to \$2.98 million 

Notes to Financial Statements

Pages 12-20

- ❖ Notes give more detailed information about the numbers in the financial statements.
 - ❖ Note 2 on page 14-15 shows details of bank deposits and investments.
 - ❖ Note 3 on page 15-16 shows the detail of capital assets.
 - ❖ Note 5 on page 16-17 shows the detail of long-term liabilities including compensated absences.
 - ❖ Note 13 on page 19 shows the detail of the outstanding AIP grants at year end.

Budget to Actual

Pages 21-22

- ❖ GAAP basis numbers adjusted to Budgetary Basis numbers on page 22.
 - ❖ Removes items that are not budgeted
- ❖ Actual Budgetary Basis numbers are then compared to Budgeted Amounts on page 21.
 - ❖ Budgeted a loss of \$693,876 but actual results were an increase of \$794,781

Questions?



Friedman Memorial Airport Authority

Year Ended September 30, 2019

A Presentation of the Financial Statements
and Audit Results



Helping you succeed, financially and beyond.

Discussion Topics

Audit Overview

Significant Items and Conclusions

Financial Overview and Metrics

Other Required Communications

Questions

Audit Overview

The objective was to provide an opinion as to whether the financial statements are fairly presented.

- Government Auditing Standards
- Governmental Accounting Standards Board
- Uniform Guidance Reporting
- PFC Program Reporting
- Review the MD&A and budgetary comparison schedule for consistency.

Audit Timeline – Planning began October 2019, with fieldwork being performed November 11th through 14th and reporting completed on January 7, 2020.

Audit Overview

The audit process, using a risk based methodology, is divided into three areas:

PLANNING

- Engagement letter and expectations
- Gain understanding of the entity and internal controls
- Identify high risk areas
- Compliance risk assessment
- Fraud interviews
- Preliminary analytical review

FIELDWORK

- Focus on high risk areas and significant compliance risks
- Internal control testing
- Detailed invoice and receipt testing
- Review of agreements and contracts
- Other testing procedures

REPORTING

- Drafting and reviewing reports
- Subsequent events review
- Management Representation letter and approved forms
- Final analytical review
- Single audit data collection form

Significant Audit Items

Grants and Federal Awards – Reviewed the Authority’s compliance with the Airport Improvement Program under the single audit act. Performed internal control testing over compliance with federal funding.

Operating Revenues – Analytical review and substantive testing of significant sources of operating revenue.

PFC Program – Substantive testing of cash receipts and disbursements of passenger. Performed internal control and compliance testing of the Authority’s compliance with the program.

Cash and Cash Equivalents - Substantive testing and analytical review of bank statements and reconciliations. Significant increase due to advance revenue received for future projects and timing of cash disbursements and receipts.

Capital Assets - Testing of additions and disposals including depreciation expense. Significant increase due to construction funded by the Airport Improvement Program.

Significant Audit Items (Continued)

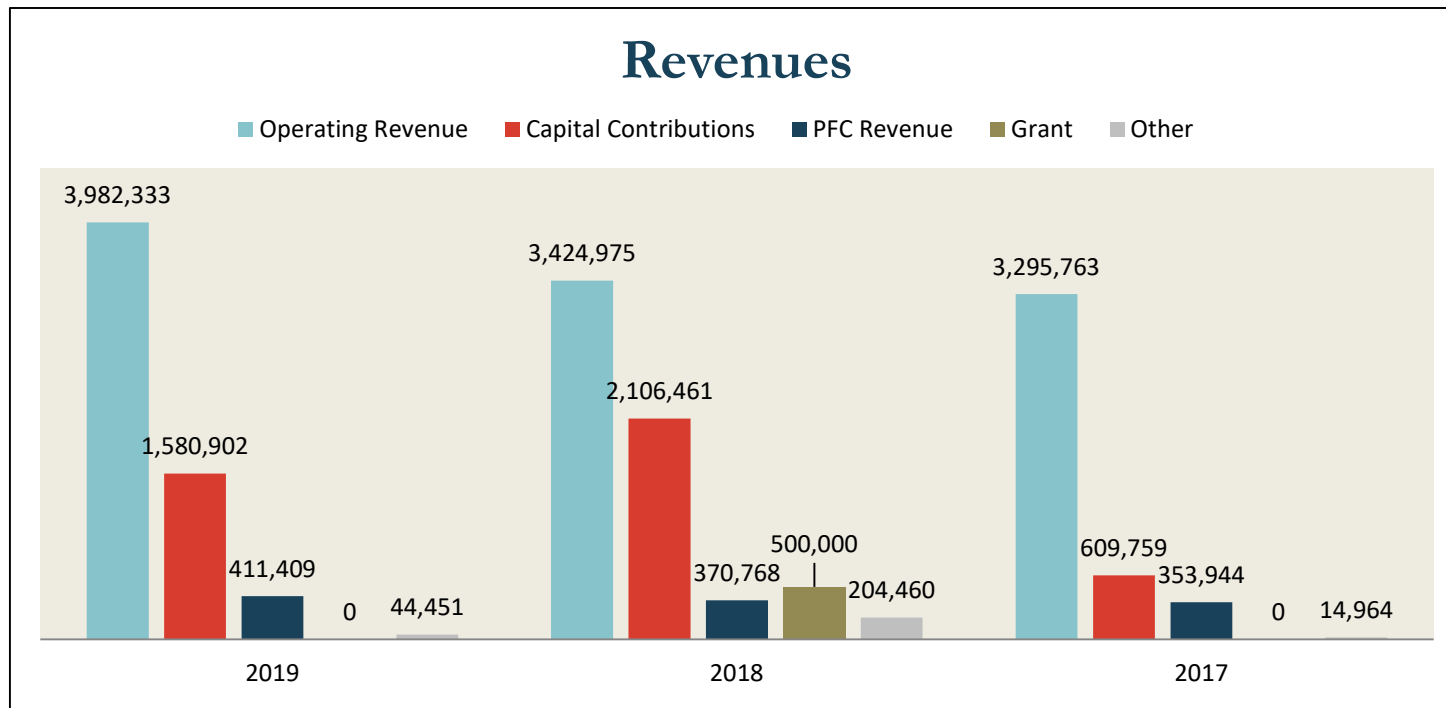
Salaries, Wages and Related Benefits – Substantive and analytical testing of salaries and benefits. Internal control testing performed on payroll in accordance with Government Auditing Standards

Other Expenditures and Accounts Payable – Search of unrecorded liabilities. Reviewed significant expenses both analytically and substantively. Internal control testing of cash disbursement performed in accordance with Government Auditing Standards.

Net Position Classification – Reviewed the reporting and disclosure of restricted net position

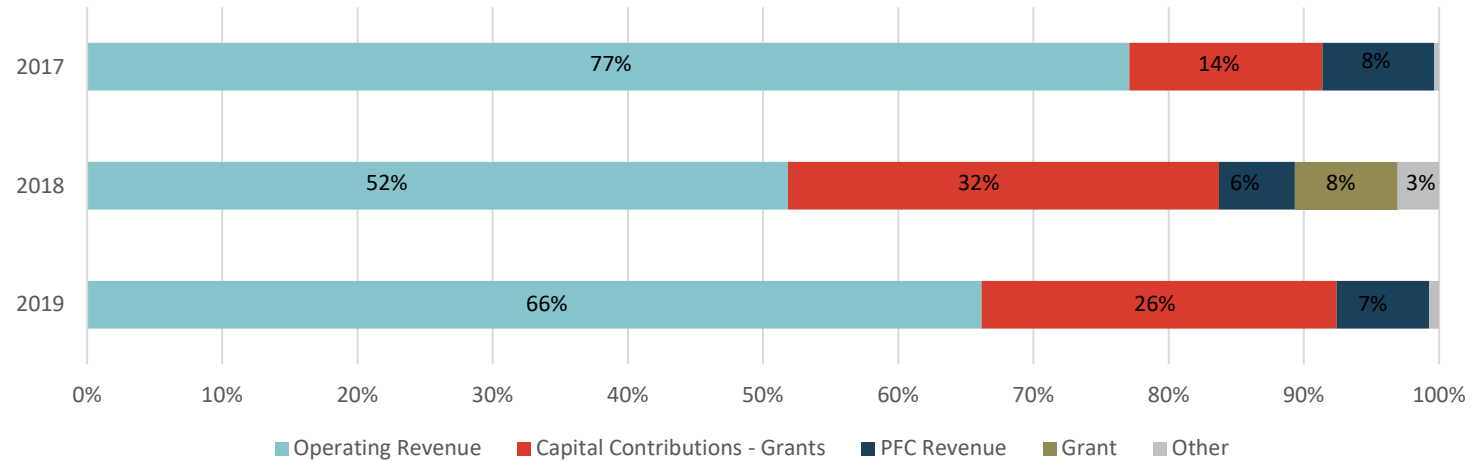
Fraud Considerations

Financial Overview - Metrics

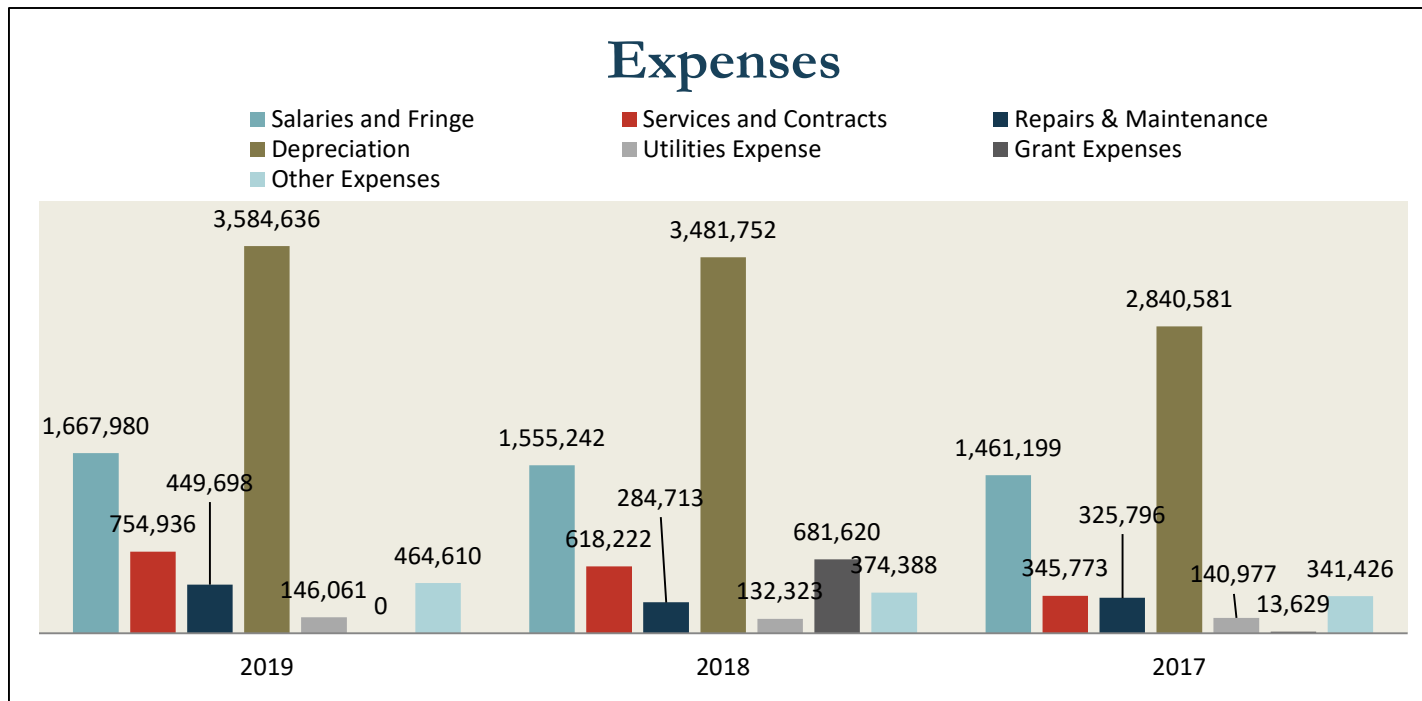


Financial Overview - Metrics

Percentages of Total Revenue

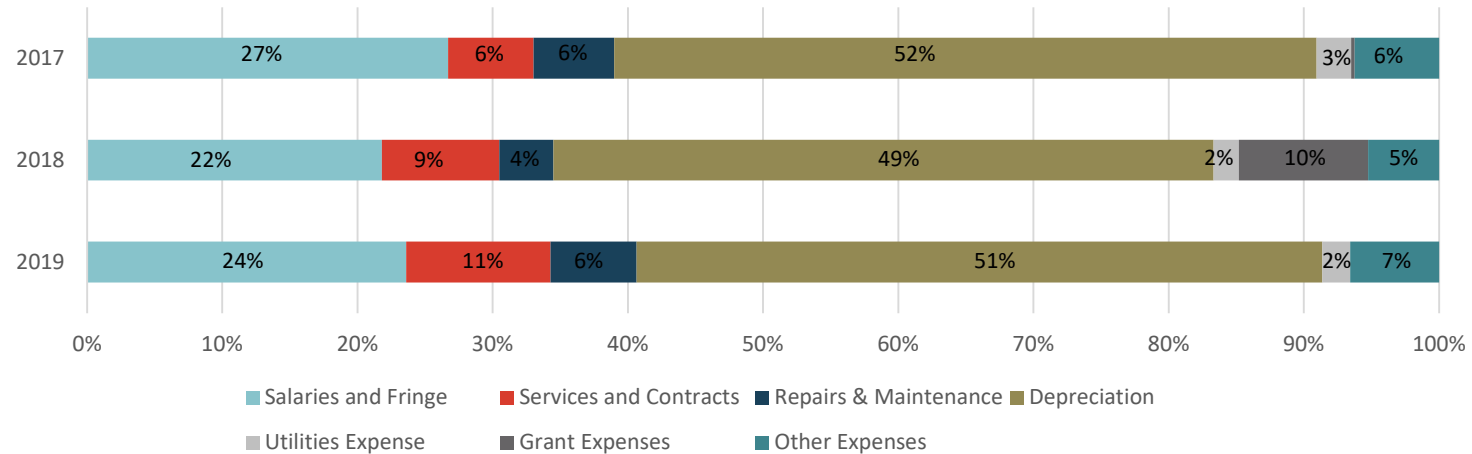


Financial Overview – Metrics



Financial Overview – Metrics

Percentages of Total Expenses



Other Communications

Communication with Those Charged with Governance

Significant accounting policies – discussed in significant audit slide.

No disagreement with management and no consultation with other auditors.

All journal entries were approved and posted by management.

Communication of Significant Deficiencies and Material Weaknesses

All significant deficiencies and material weaknesses must be reported in the financial statements. No items were identified.

Other observations were noted in the management letter.

Questions





Action
Continuing Business

None



Discussion and Updates

New Business



Terminal Area Plan – Scope of Work

- ▶ Draft Scope of Work
 - Coordination with Mead & Hunt and FAA
- ▶ Questions and Discussion
- ▶ Next Steps
 - Independent Fee Estimate
 - Scope and fee approval – February





Discussion and Updates

Continuing Business



Construction and Capital Projects





HAILEY, IDAHO ✈ iFLYSUN.COM

PARKING CAPACITY POTENTIAL IMPROVEMENTS



CAJohnson Consulting
Beyond The Space

Friedman Memorial Airport
Hailey Idaho



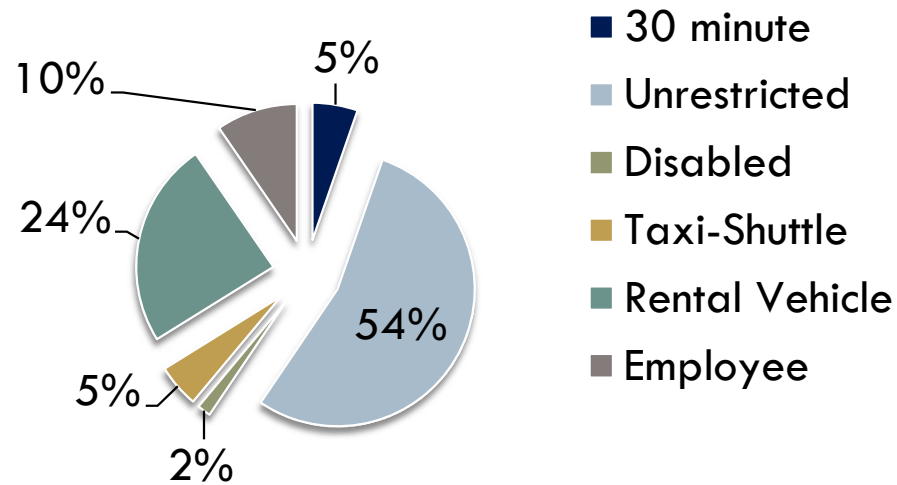
THE CAR PARK

Current Facility Overview

Stall Count 375

30 Minute Parking	20
Unrestricted	203
Disabled	6
Taxi/Shuttle	19
Rental Vehicle	91
Employee	36

Stall Count Diversity



Active Access Cards - 257

Tenants	FMA/ The Car Park	Vendors	Gov	Ground Transportation
114	33	20	41	49

Facility Capacity

2019

Lot reached or exceeded capacity 17 times

Implemented overflow procedures, which included relocated all employee parking and used creative space plan.

Capacity Review Trigger

Maximum 95+% utilization (goal not to exceed 95%)

Airports: measured at peak occupancy
(mid day during enplanement / deplanement
transition)

FMA already has passed 95% trigger

Typical Industry Response to Capacity Issues

Review objective – Who is the priority?

- Increase rates to reduce use (little impact at FMA)
- Remove non priority parkers to off site facility
- Direct vehicles to off site facility
- Add labor – Valet
- Add more capacity

Recommendation

Short Term

- Clear any commitments to the expansion space located west of the Airport Administration building
- Address rental return use of public stalls
- Permanently move all employee parking to the expansion space
- Authorize a space design and project bidding
- Build out space and add to the public parking availability

Long Term

- Move employee parking off site
- Review rental vehicle use of main lot as leases expire (reduce the number of staging spaces allowed)
- Acquire additional land for future parking capacity / Rental vehicle staging

Airport Planning Projects



Air Traffic Control Tower Replacement

- ▶ Letter to FAA NextGen
 - December 16, 2019
- ▶ Coordination with vendors
- ▶ Next Steps
 - Meeting with FAA NextGen in DC



Miscellaneous





CASH PAYMENT REVIEW/AUTOMATION



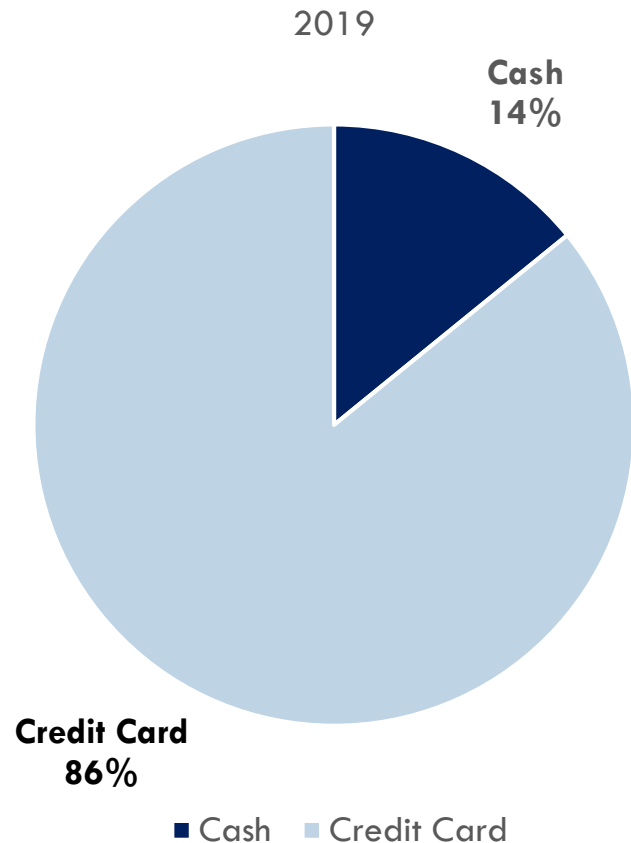
CAJohnson Consulting
Beyond The Space

Friedman Memorial Airport
Hailey Idaho



THE CAR PARK

Cash vs Credit Card



- 2019 Cash Collected = \$72,008
- 2019 Booth Payroll Cost = \$115,475
- Variance = **-\$43,467**
- Labor Cost per Hour = \$21.15

- Cash collected per hour worked (avg) = \$13.19
- Cash transactions per hour worked = \$1.52

Cash Users

Short Term vs. Long Term

- 62% of cash transactions are short term parkers (\$5.00 or less / under 3 hours based on 2019 rates)
 - Highest month = 18% Cash vs. 82% CC
 - Lowest month = 12% Cash vs. 88% CC
 - Average = 14% Cash vs. 86% CC
- ☐ Public perception of not using CC for small \$ amounts

Recommendations

Reduce booth operating hours in phases with a focus on maintaining Customer Service

Phase 1 (Q1 2020)

- Eliminate cash-collecting Shift #1 (9am to 3pm)
 - (Currently no cash accepted 12am to 9am)
- Station attendant at exit during high volume periods to assist/educate
- Public outreach (signage, media, social media, etc.)

Phase 2 (Q3 2020)

- Eliminate all remaining cash collection Continue public outreach
- Continue to station attendant at exit during peak times
- Consider rate change 0-2 hours free, reduce exiting time, eliminate 62% of cash use

Customer Service

- Parker education by on-site ambassadors
- Dynamic positioning by ambassadors based on volume

Employee Handbook

▶ Status

- Document revisions (7) drafts
- Committee review and discussion

▶ Next Steps

- Revised draft to Committee – this week
- Seek approval at February meeting





Public Comment



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





Thank You!

