



# Friedman Memorial Airport Authority

## Regular Board Meeting

January 5, 2021





# Approve Agenda



# Public Comment

(10 Minutes)



# Approval of Meeting Minutes

December 8, 2020 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

# Airport Activity Status

- ▶ December Passenger Enplanements
  - –52% December 2020 vs. December 2019 (unofficial)
    - November –59%
  
- ▶ Operations
  - +4.6% December 2020 vs. December 2019
  - –2.1% Year 2020 vs 2019



# New Approach – Update





# Land Use Zoning – Update

- ▶ Draft Airport Vicinity Overlay District
  - Airspace protection
  - Land use compatibility
- ▶ Presented to County P&Z
  - Thursday, Dec. 10
- ▶ Minor revisions
  - Review January 14, 2021

# Short Term Extension to JPA– Update

- ▶ Extension approved by both sponsors
  - Extended to April 15

# “On the Horizon”

- ▶ Special Meeting
  - Snow Removal Equipment order request



# Airport Staff Brief Questions?



**Action  
New Business**

# FY2020 Annual Audit and Financials

- ▶ Audit – Josh Tyree
  - Harris & Company
- ▶ Financials – Laurie Harberd
  - Rexroat, Harberd & Associates



# Friedman Memorial Airport Authority

Year Ended September 30, 2020

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

The information contained in this presentation is solely for the information and use of management and the board of directors and should not be used by any other parties.

# 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 2020, with fieldwork being performed November 16<sup>th</sup> through 19<sup>th</sup> and reporting completed on January 5, 2021.

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# 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

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# 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.

**CARES Act** – Reviewed the Authority’s compliance 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 PFC funds. 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.

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# 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.

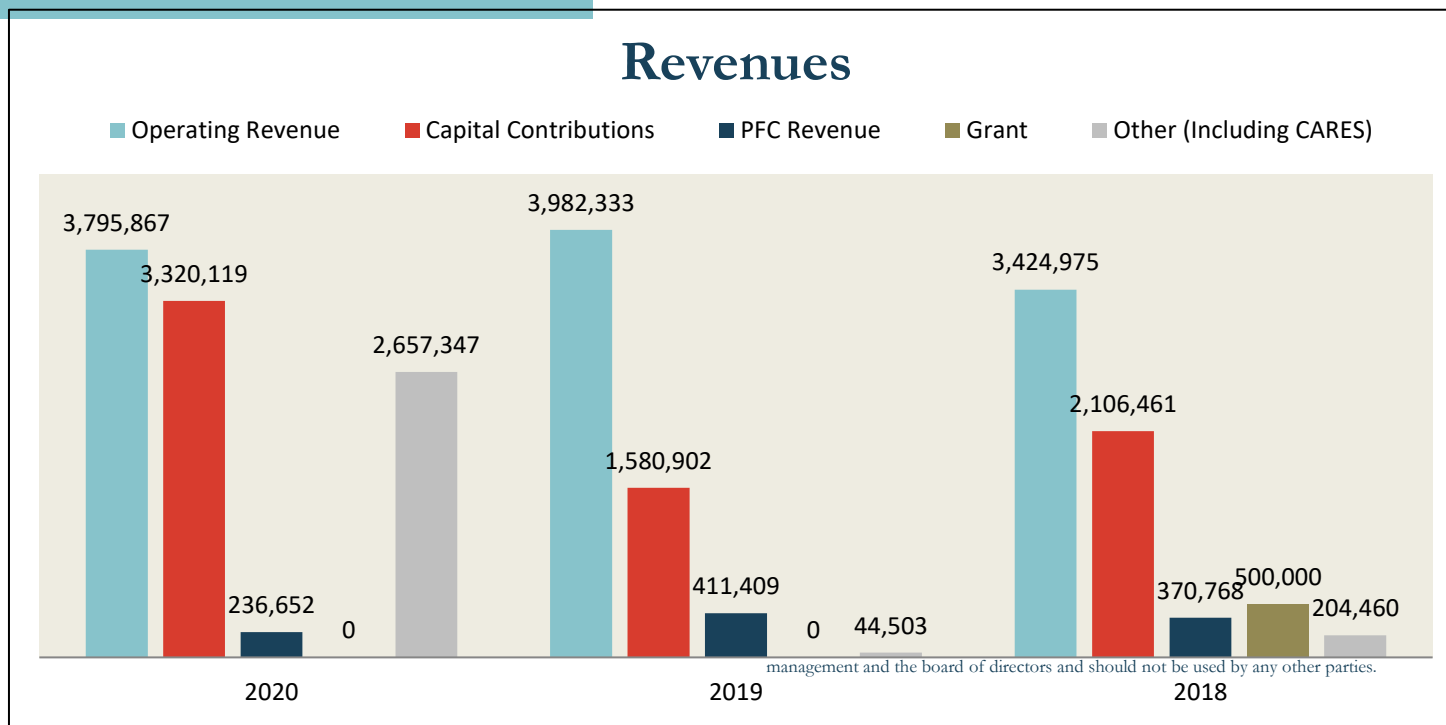
**Net Position Classification** – Reviewed the reporting and disclosure of restricted net position

**Management Turnover** – Reviewed the internal controls to ensure that they are functioning appropriately. Performed walkthroughs of the processes ensuring that the proper approvals are being obtained for transactions.

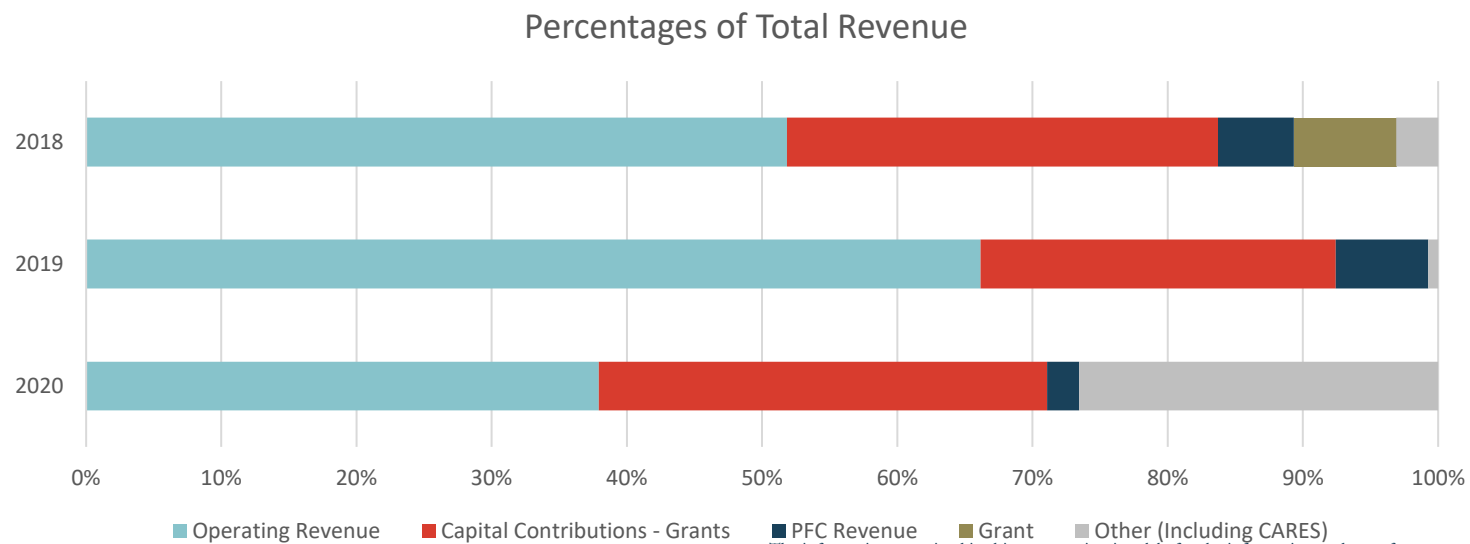
**Fraud Considerations**

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# Financial Overview - Metrics



# Financial Overview - Metrics

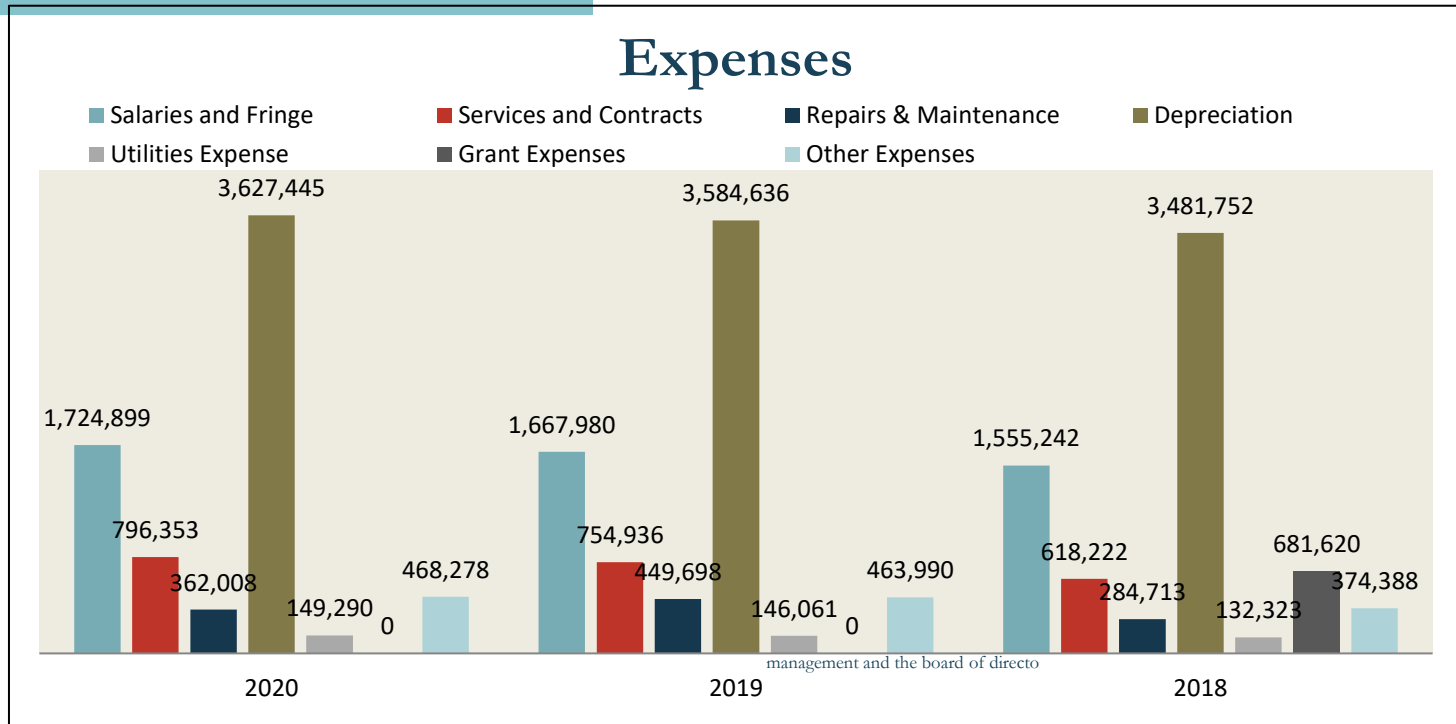


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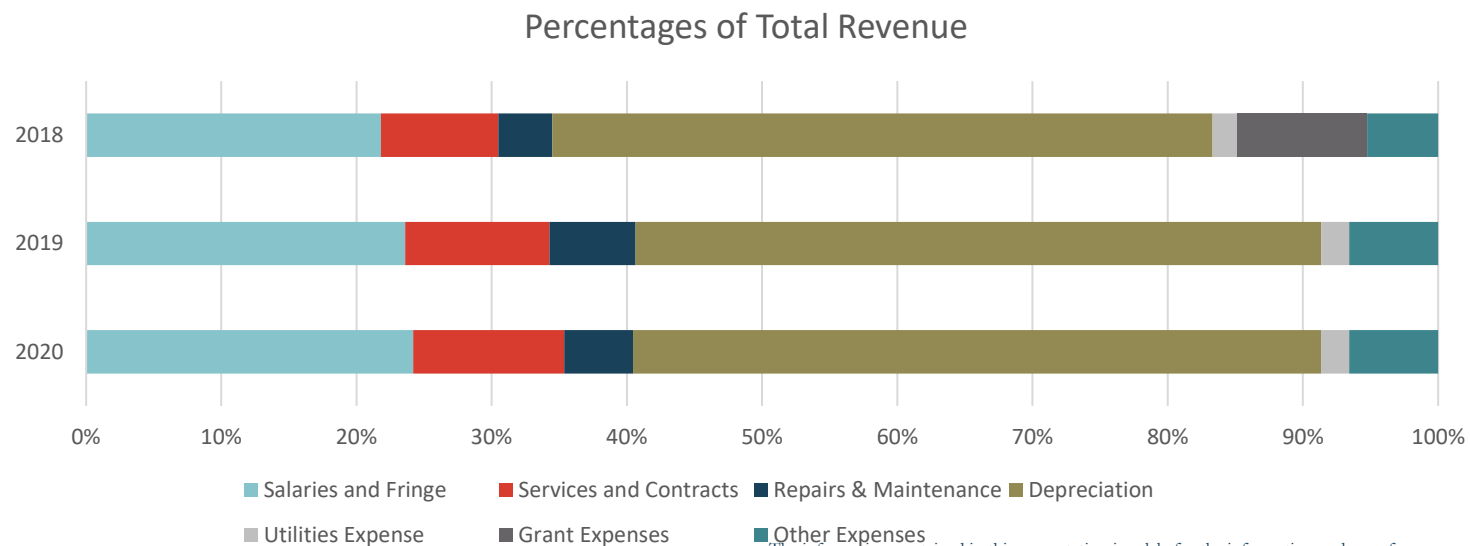
*Shows revenue by source*



# Financial Overview – Metrics



# Financial Overview – Metrics



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# 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.

No journal entries were proposed by the auditors.

## Communication of Significant Deficiencies and Material Weaknesses

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

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Other observations were noted in the management letter.

# Questions



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# Friedman Memorial Airport Authority

Presentation of Financial Statements for the  
Year Ended September 30, 2020

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

# Reasons for Year-End Adjustments

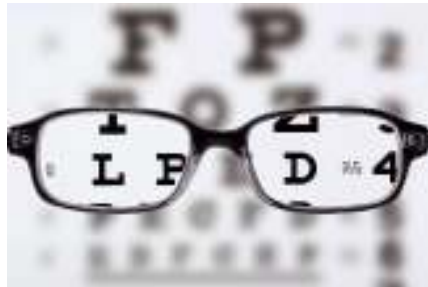
- ▶ Monthly financial statements are prepared through QuickBooks on a modified accrual basis.
  - ▶ Receivables and payables are accrued monthly, however:
    - ▶ Capital outlay and loan payments are expensed
    - ▶ Provides better operating information on a monthly basis
- ▶ Full accrual accounting 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 increased by 5.2% to \$57.8 million
  - ❖ Unrestricted portion of Net Position increased 72.8% to \$6.3 million
- ❖ Statements of Revenue, Expenses and Changes in Net Position, page 10
  - ❖ Operating loss increased by 8.2%.
  - ❖ Capital contributions from AIP grants increased 110% to \$3.3 million
- ❖ Statements of Cash Flows, page 11
  - ❖ Breaks down the cash flows from and used by various activities that resulted in a 20% increase in cash to \$3.59 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 16 shows the detail of capital assets.
  - ❖ Note 5 on page 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.
  - ❖ Note 16 on page 20 covers issues related to the COVID-19 Pandemic.

# 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 profit of \$263,288 but actual results were higher by \$2.4 million.

Questions?





# Action

## Continuing Business

### None



# Discussion and Updates

## New Business

# Airport Minimum Standards and Rules and Regulations Update

- ▶ Critical guiding documents
  - Minimum Standards – 1997
  - Rules and Regulations – 1974
- ▶ Consultant Team Assistance
  - M&H, Ricondo, Peter Kirsch
    - On-call planning selection
    - Budgeted
- ▶ Tenant outreach and involvement – Critical
- ▶ Next steps
  - Scoping
  - Schedule
    - 12 months



# Discussion and Updates

## Continuing Business

# Miscellaneous

## None



# Construction and Capital Projects None

# Airport Planning Projects

# Environmental Assessment – Land



NOTE: This illustration is intended for study purposes only and is not intended for implementation.

FIGURE 1 Property Acquisition – South

# Environmental Assessment – Land

## ► Efforts to date:

- Project description
- Purpose and Need
- Project Alternatives
- Identification of affected environment and potential environmental consequences
- Field visit (biological resources) – September 28–30
- Draft deliverables submitted

## ► Agency coordination

- FAA
- SHPO

## ► Next Steps:

- Con't... FAA/SHPO cultural resources coordination
- Staff review – deliverables

# Terminal Area Plan

Figure 1: SUN Terminal Area Planning Limits



Source: SUN Airport Master Plan





Friedman Memorial  
Airport

## Terminal Area Plan

Terminal Capacity  
Study

Preliminary Findings

5 JANUARY 2021

# Terminal Area Plan – Status Update

- Several components of the capacity threshold study have been completed, including:
  - Functional component inventory
  - Stakeholder kick-off interviews
  - Terminal building capacity assessment
  - Comparison with existing passenger demand
- Next steps:
  - Terminal area capacity assessment
  - FAA coordination
  - Forecast scenarios
  - Development alternatives
  - Continued stakeholder coordination

# Terminal Area Plan – Terminal Capacity Study

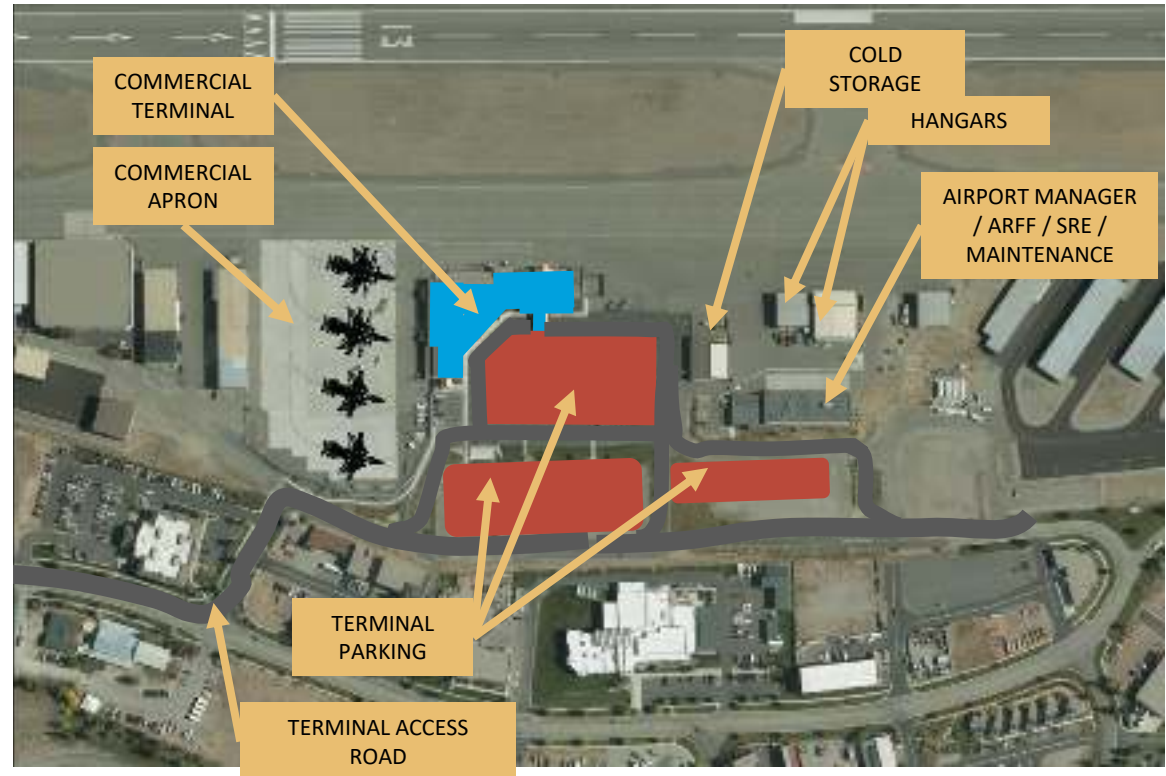


- Terminal Area Plan
  - Building Major Areas
    - Ticketing & Bag Check
    - Security Screening
    - Departures Lounge
    - Baggage Claim
  - Aircraft Apron
  - Public Parking
  - Vehicle Access and Parking Circulation
  - Rental Car Facilities



# Central Terminal Area

- Airport Terminal Area Access Road
- Parking
- Terminal Building
- Aircraft Parking Ramp Apron
- Airport Operations Building
- Administration & ARFF/SRE & Maintenance Building
- Cold Storage



# Arriving & Departing Flights

- Weekly Bank Structure Summary

- Winter Holiday Flight Schedule
- Scheduled Arrivals & Departures
- Total Arriving Aircraft: 11
- Total Departing Aircraft: 11

- Closely Spaced Departures at 11:30 am – 12:10 pm

- 3 Flights - Total of 222 Departing Seats

- Departing Passengers Drive Component Functions

- Parking & Departures Curb
- Ticketing & Baggage Check
- TSA Checked Baggage Screening
- Airline Outbound Baggage Make-Up
- TSA Security Screening Checkpoint
- Passenger Departures Lounge

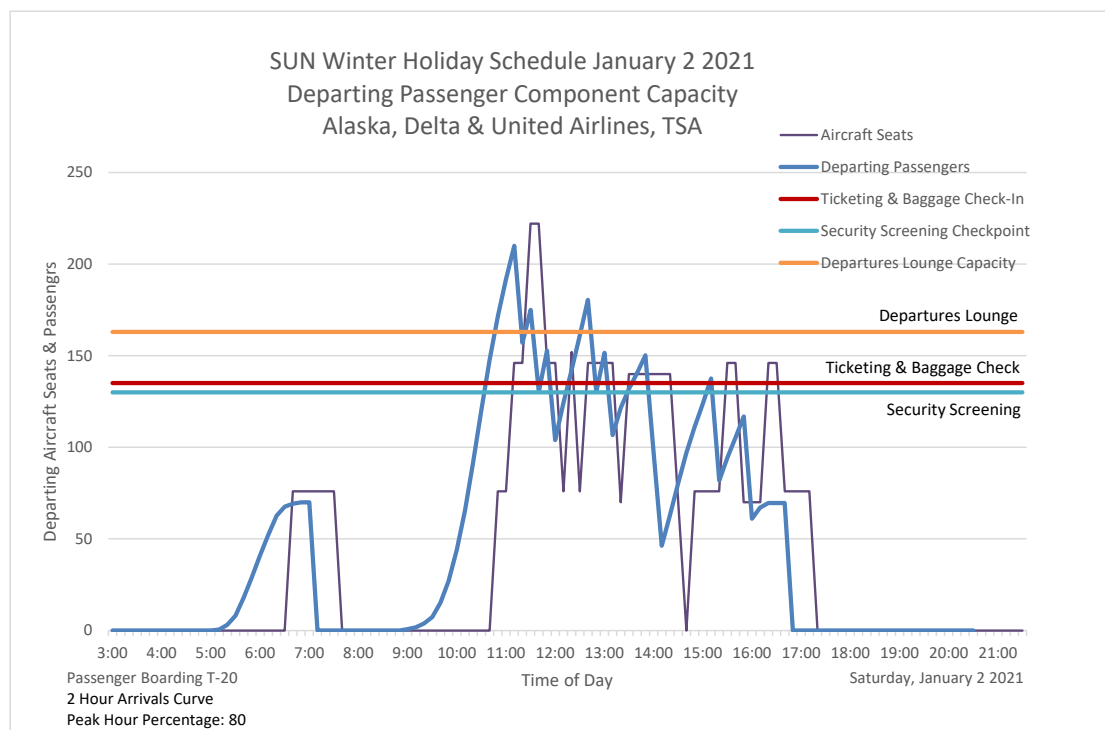
SUN WEEKLY BANK STRUCTURE FOR THE WINTER HOLIDAY PERIOD										Operations/Seats	
ARRIVALS				SUN	DEPARTURES				Hub	Operating	Departing
Airline	Aircraft	Origin	Depart	Time	Arrive	Destination	Aircraft	Airline		Period	Seats/
AS	E175	SEA	8:05	10:55	8:04	SLC	E175	DL		11/8-4/30	76
DL	E175	SLC	9:45	11:02							
				11:32	12:47	SLC	E175	DL		12/19-3/28	76
				11:35	12:35	SEA	E175	AS		12/17-3/22	76
UA	E175	SFO	8:30	11:38							
				12:08	13:28	SFO	E175	SFO		12/17-1/4	70
DL	E175	SLC	11:25	12:42							
				13:10	14:25	SLC	E175	DL		11/8-4/30	76
UA	E175	ORD	10:00	13:18							
				13:54	18:06	ORD	E175	UA		12/17-1/4	70
				14:20	15:43	LAX	E175	DL		12/19-1/10	70
				14:20	16:30	DEN	E175	UA		12/17-3/27	70
DL	E175	SLC	13:45	14:59							
				15:20	16:30	SLC	E175	DL		12/19-4/20	76
UA	E175	LAX	12:15	15:45							
				16:30	18:10	LAX	E175	UA		12/17-1/4	70
AS	E175	SEA	14:45	17:35							
				18:15	19:15	SEA	E175	AS		12/17-1/4	76
DL	E175	SLC	21:35	22:28							
										Total Seats	806
										Passengers Boarded Estimate	740
										Estimated Load Factor Percentage	0.92

Alaska  
Delta  
United

# Terminal Component Capacity - Departing Passengers

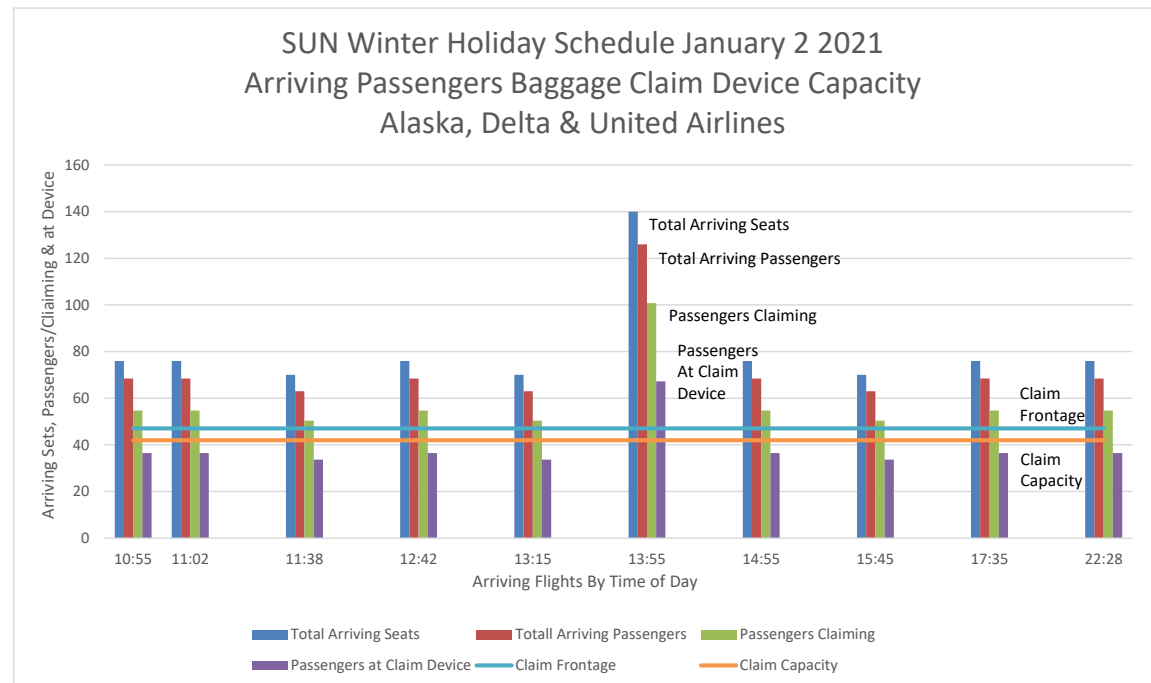
- Departing Passenger Profile
  - Passengers Arriving at Terminal
- Peak Hour Passengers
  - Peak Thirty-Minute Demand
- Component Practical Capacity
  - Ticketing & Baggage Check
  - Security Screening
  - Departures Lounge

<b>Arrivals Curves</b>																
12:00-09:00 AM	150	140	130	120	110	100	90	80	70	60	50	40	30	20	10	0
PERCENT	0.0	0.0	0.8	3.6	7.2	14.0	16.0	17.0	16.0	15.0	7.0	2.4	1.0	0.0	0.0	0.0
09:00-12:00 AM	150	140	130	120	110	100	90	80	70	60	50	40	30	20	10	0
PERCENT	1.1	1.5	2.0	3.5	8.2	12.3	14.7	15.8	16.3	12.4	8.7	3.5	0.0	0.0	0.0	0.0



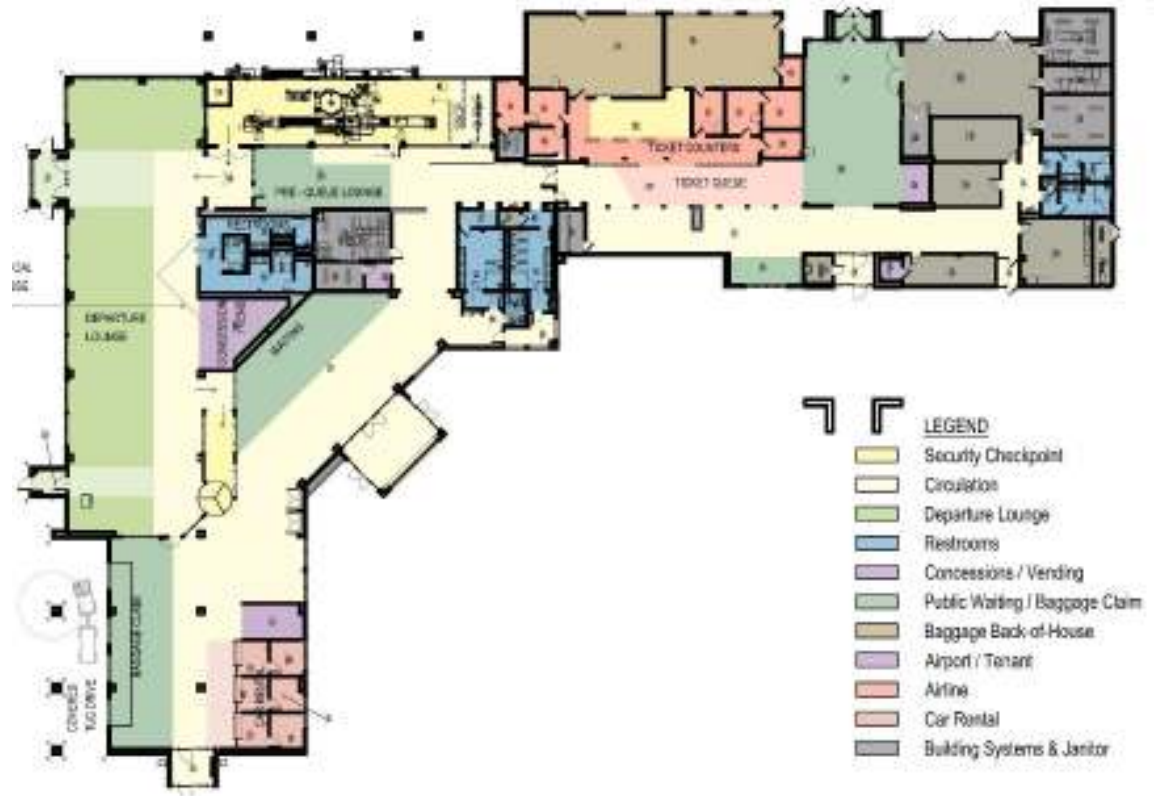
# Terminal Component Capacity - Arriving Passengers

- Arriving Passenger Profile
- Peak Hour Passengers
  - Peak Twenty-Minute Demand
  - Passengers Arriving at Claim
- Component Practical Capacity
  - Baggage Claim
    - Heavily Discounted Due to System
    - Overhead Doors Limit Capacity
    - Airline Bag Drop-off to Static System Blocks Other Carrier Access to Drop-Off
    - System Relies on Passengers Claiming Stacked Bags to Free Device Capacity



# Existing Terminal Plan

- Existing Terminal
  - 2015 Expansion & Renovation Built to Meet Minimum Requirements
  - 3 Gates & Departures Lounges
  - Single Checkpoint
  - Relocated Claim Device
  - Renovation and Expansion to Airline Ticketing Office/Ops Set to Follow-On Phase
  - All Terminal Component Function Demand Exceeds Capacity





# Questions

Clarifications

# Answers

Discussion



# 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!

