

**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 4, 2022 at 5:30 p.m. at the **old Blaine County Courthouse Meeting Room Hailey, Idaho.**

This meeting is open to the public, but attendees are STRONGLY ENCOURAGED to attend by web access. Instructions below:

Please join the meeting from your computer, tablet, or smartphone.

<https://global.gotomeeting.com/join/723981309>

You can also dial in using your phone.

United States: 1 (312) 757-3121

Dial In Access Code: 723-981-309

The proposed Agenda for the meeting is as follows:

**AGENDA
January 4, 2022**

- I. APPROVE AGENDA – ACTION ITEM**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. December 7, 2021 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 Director's 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, 2021 – Consideration of Acceptance – **Attachment #5 ACTION ITEM**
 - B. CONTINUING BUSINESS**
 - 1. Air Traffic Control Tower Replacement – Consideration of Vendor Selection – **ACTION ITEM**
- VII. DISCUSSION AND UPDATES**
 - A. NEW BUSINESS**
 - 1. FMAA Board Officer Positions – Discussion
 - B. CONTINUING BUSINESS**
 - 1. Miscellaneous
 - i. Airport Minimum Standards and Rules and Regulations – Update – **Attachment #6**
 - ii. In-house Parking Operations – Update
 - 2. Construction and Capital Projects
 - i. None
 - 3. Airport Planning Projects
 - i. Environmental Assessment (Land Acquisition) – Update
 - ii. Terminal Area Plan – Update
- 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**
- X. ADJOURNMENT**

FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETINGS ARE OPEN TO ALL INTERESTED PARTIES. SHOULD YOU DESIRE TO ATTEND A BOARD MEETING AND NEED A REASONABLE ACCOMMODATION TO DO SO, PLEASE CONTACT THE AIRPORT MANAGER'S OFFICE AT LEAST ONE WEEK IN ADVANCE BY CALLING 208-788-4956 OR WRITING TO 1616 AIRPORT CIRCLE, HAILEY, IDAHO 83333.

FMAA Meeting Brief 01-04-22

III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:

- A. December 7, 2021 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 Director's Report

This item is on the agenda to permit an Airport Director's report if appropriate.

V. AIRPORT STAFF BRIEF – (5 Minutes Allotted)

- A. Noise Complaints in December

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT	ACTION/RESPONSE
Old Hailey	12/1/2021	8:00 am	Prop	Caller complained about very low and very early touch and go operations.	Airport Director left a return VM with the caller and advised he would speak to the flight crew. The operations were a result of preparation by the pilot for an FAA checkride.
Bellevue	12/29/2021	1:17 am	Turboprop	Resident complained about an early morning arrival.	The aircraft was an Air St. Luke's LifeFlight Aircraft. Contacted resident who was appreciative of the follow-up.

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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 - 2021 ATCT Traffic Operations Record comparison by month

Attachment #4 is 2021 Enplanements, Deplanements and 2021 Seat Occupancy data

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

November 2021

Total Non-Federal Revenue	November, 2021	\$303,889.66
Total Non-Federal Revenue	November, 2020	\$556,311.23
Total Non-Federal Revenue	FY '22 thru November	\$792,591.13
Total Non-Federal Revenue	FY '21 thru November	\$974,241.36
Total Non-Federal Expenses	November, 2021	\$289,933.76
Total Non-Federal Expenses	November, 2020	\$312,603.56
Total Non-Federal Expenses	FY '22 thru November	\$667,769.67
Total Non-Federal Expenses	FY '21 thru November	\$740,305.96
Net Income excluding Federal Programs	FY '22 thru November	\$124,821.46
Net Income excluding Federal Programs	FY '21 thru November	\$233,935.40
Net Income to include Federal Programs	FY '22 thru November	-\$1,534,175.70
Net Income to include Federal Programs	FY '21 thru November	-\$642,211.55

C. Airport Commercial Inbound Flight Interruptions (unofficial): Information was unavailable at time the Brief was completed. The information will be presented at the meeting if available.

AIRLINE	FLIGHT CANCELLATIONS	FLIGHT DIVERSIONS
	December 2021	December 2021
Alaska Airlines	unavailable	unavailable
Delta	unavailable	unavailable
United	unavailable	unavailable

D. Review Correspondence

None

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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, 2021 – Consideration of Acceptance – **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. Air Traffic Control Tower Replacement – Consideration of Vendor Selection – **ACTION ITEM**

As the Board is aware, interviews with the three vendors who submitted responses to the Request for Proposals for remote tower technology at the Friedman Memorial Airport were conducted on October 20th, 2021 (virtually).

After review of submittals, interviews and deliberations, the selection committee is prepared to make a recommendation of selection of a vendor to the full Board. Expect additional discussion at the meeting.

Action requested: Consider recommendation of the selection committee of a rTWR vendor as discussed with the committee and Board.

VII. DISCUSSION AND UPDATES

A. NEW BUSINESS

1. FMAA Board Officer Positions – Discussion

This item is to provide an opportunity for the Board to discuss upcoming FMAA officer positions for FY22.

B. CONTINUING BUSINESS

1. Miscellaneous

- i. Airport Minimum Standards and Rules and Regulations – Update **Attachment #6**

As previously discussed with and presented to the Board, a comprehensive DRAFT Minimum Standards document is complete as has been circulated for stakeholder outreach. This DRAFT is included as **Attachment #6**.

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To this end, Staff and the consultant team held the first of two virtual stakeholder outreach meetings on Tuesday, December 14, 2021, to solicit input and answer questions about the project and the DRAFT document. The second meeting will be held Tuesday, January 4, 2022 at 4:00 pm.

A short update on the outcome of the stakeholder meetings will be presented to the Board. The DRAFT is expected to be sent to FAA for comment after the FMAA meeting pending Board concurrence.

Additional FMAA and public review and discussion of the DRAFT document will be held at the regularly scheduled FMAA meetings on February 1 and March 1, 2022.

As a reminder, a project webpage has been created on the SUN website with general information, virtual meeting login information, and instructions to stakeholders on how to submit written comments: <https://iflysun.com/minimum-standards/>

ii. In-house Parking Operations – Update

An amended reimbursement contract with Car Park is pending and development of the transition plan is currently underway. Final discussion and recommendation for approval is anticipated to occur at the February Board Meeting.

No presentation regarding the project is planned for this meeting.

2. Construction and Capital Projects

i. None

3. Airport Planning Projects

i. Environmental Assessment (Land Acquisition) – Update

The consultant team continues to work with the FAA on revisions to the EA document to address comments received from the FAA on preliminary drafts. Public release of the draft document for review and comment is expected after FAA approval. Completion of the Environmental Assessment process, including a Finding of No Significant Impact by the FAA, will follow after the public comment period and is expected in Spring 2022.

As noted during the presentation on the Environmental Assessment to the FMAA Board during the December 2021 meeting, the FAA has made a determination of no adverse effect to historic resources associated with the purchase of property for approach protection and land use compatibility. The FAA has received concurrence from the State Historic Preservation Officer (SHPO). The FAA contacted regional tribal organizations regarding the Section 106 Historic and Cultural Resource findings and did not receive any comments during the 30-day comment period.

No presentation regarding the project is planned for this meeting.

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ii. Terminal Area Plan – Update

The Preferred Concept is still a 2-phase terminal renovation/expansion estimated at \$22.5M including design and soft costs. The Financial Feasibility Analysis had to be re-run in consideration of some recent changes in priorities on the CIP and is incorporating considerations related to the Bipartisan Infrastructure Law (BIL).

Next steps include financial analysis conference call, financial analysis chapter completion, continued stakeholder coordination, and TAP Draft Report completion in January.

No presentation regarding the project is planned for this meeting.

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

X. ADJOURNMENT

**MINUTES OF A REGULAR MEETING
OF THE
FRIEDMAN MEMORIAL AIRPORT AUTHORITY
December 7, 2021
5:30 P.M.**

IN ATTENDANCE:

BOARD MEMBERS: Board Vice-Chair (Acting Chair) – Martha Burke, Board Members – Angenie McCleary, Dick Fosbury, Rich Pogue, John Strauss, Sam Linnet

FRIEDMAN MEMORIAL AIRPORT STAFF: Airport Director – Chris Pomeroy, Deputy Director of Finance & Administration – Brent Davis, Deputy Director of Operations & Maintenance – Tim Burke, Security Manager – Steve Guthrie, Airport Sr. Administrative Coordinator – Jenna Elliott

CONSULTANTS: Mead & Hunt – Brad Rolf; CA Johnson Consulting – Chris Johnson

AIRPORT LEGAL COUNSEL: Lawson Laski Clark, PLLC – Jim Laski

CALL TO ORDER:

The meeting was called to order at 5:30 p.m. by Acting Chair Burke

I. APPROVE AGENDA

(0:51)

The agenda was approved as presented.

MOTION: *Made by Board Member Fosbury to approve the agenda.
Seconded by Board Member Linnet.*

PASSED UNANIMOUSLY

II. PUBLIC COMMENT

(1:20)

No Public Comment

**III. APPROVE FMAA
MEETING MINUTES**

(1:52)

- A. November 2, 2021 Regular Meeting – Motion to Approve – **Attachment #1 ACTION ITEM**

MOTION: *Made by Board Member Fosbury to approve the agenda.
Seconded by Board Member Pogue.*

PASSED UNANIMOUSLY

IV. REPORTS

(2:45)

- A. Chairman Report
No report given.

(2:55)

- B. Blaine County Report
Board Member Fosbury reported Blaine County Commissioners discussed the existing masking ordinance in effect thru January, no changes at this time.

(3:22)

- C. City of Hailey Report
No report given.

(3:40)

- D. Fly Sun Valley Alliance Report
Carol Waller reported they are monitoring bookings and it will be a busy holiday. They also have started working on summer schedules.

(4:45)

- E. Airport Director Report (see PowerPoint Presentation)
Airport Director Pomeroy reported November 2021 Passenger Enplanements were up 30% from 2019 and 2021 year-to-date is up 2% over 2019 year-to-date. November 2021 Operations were up 22% compared to November 2020 Operations and up 25% from November 2019. Calendar year-to-date operations for 2021 is 23% higher than 2020 and 20% higher than 2019.

(5:45)

Airport Director Pomeroy asked Deputy Director of Operations & Maintenance Burke to update the board with regards to the success of the "Meet the Fleet" event. Deputy Director Burke reported that the Kiwanis Club raised nearly \$3,900, of which \$1,000 went to the Key Club to benefit youth and the remainder went towards

purchasing jackets and coats for those in need. Board Member Strauss also reported that the raffled flight was delivered to the winner, and they were very appreciative.

- (7:29) Airport Director Pomeroy reminded everyone that the airport will be closed for the rehabilitation of Runway 13-31, Taxiway B and aprons from April 18, 2022 to May 17, 2022. Stakeholder Outreach is well underway, communicating the closure with over 130 contacts. Director Pomeroy also reported that the fence relocation project was recently completed.
- (8:25) Airport Director Pomeroy reported FMA is expecting a busy holiday season. Bookings are strong and the Airport is advising all travelers to arrive at the Airport 2 hours in advance with a reminder that masks are required both in the terminal and on the aircraft. The Thanksgiving Holiday did result in parking shortages which is an indication of what is likely to come for the Christmas Holiday.
- (10:10) Board Member Linnet advised he had received a question about the perimeter fence relocation and asked for clarification on why the fence was moved. Director Pomeroy reported that the fence relocation was moved due to its proximity to the runway end and the impact on departing Aircraft regarding declared distances. The relocation allows the full length of the runway to be included in departing aircraft calculations. The relocation of the fence is not an increase in the Airport footprint as the fence moved to an area that is already part of the overall footprint based on the previous land acquisition of 65 acres a few years ago.
- (12:50) Board Member Fosbury asked about the impact of the reduction in services at the Twin Falls Airport and how that affects SUN during our closure. Director Pomeroy advised that the surrounding Airports, including both Boise and Idaho Falls, will likely be impacted. Board Member Fosbury suggested messaging to potential travelers.

V. AIRPORT STAFF BRIEF

Noise Complaints in November – No noise complaints received.

Profit & Loss, ATCT Traffic Operations Count and Enplanement Data (See **Attachment #2 – #4**)

Airport Commercial Flight Interruptions (unofficial)

Review Correspondence

VI. ACTION ITEMS

A. NEW BUSINESS

- (15:45) 1. Consideration of Surplus Property Disposal – **ACTION ITEM**
Director Pomeroy advised the Board that the 1987 Oshkosh P19 is no longer needed due to recent acquisitions. Appraised value is under the \$5k FAA limit and the recommendation is to donate the vehicle to Camas County after receiving no interest from other Idaho Airports.
- MOTION: Made by Board Member McCleary to approve declaration of the 1987 Oshkosh P19 as surplus property and disposal of the truck as presented. Seconded by Board Member Linnet.***
- PASSED UNANIMOUSLY***
- (18:59) 2. Consideration of Amended Procurement Policy – **Attachment #5 - #6 ACTION ITEM**
Deputy Director Davis described the proposal to change the Procurement Policy to better align with best business practices and to increase efficiency with regard to ordinary annual expenses. The proposal will not remove fiduciary controls or approval mechanisms and has been approved by the FMA Finance Committee. Deputy Director Davis explained that every expense receives at minimum three unique approvals and is reviewed by five different individuals.
- Board Member McCleary asked if legal had reviewed the policy and if it adheres to Idaho State Code. Legal Counsel Jim Laski responded that it has been legally reviewed. Board Member McCleary then asked about what you do about non-budgeted expenses. Director Pomeroy responded that it is situational, however

we will have to work within our overall approved appropriation and if we are unable to that would then require Board approval. Deputy Director Davis then added context on the type of transactions that this change addresses using fuel, and runway deicer as the prime example.

MOTION: Made by Board Member Strauss to repeal Resolution 2018-01 and approve the amended Procurement Policies and Approval Authority as well as the corresponding Resolutions 2021-01 and 2021-02. Seconded by Board Member Pogue.

PASSED UNANIMOUSLY

B. CONTINUING BUSINESS

None

VII. DISCUSSION & UPDATES

A. NEW BUSINESS

(27:58)

1. Greenhouse Gas (GHG) Emissions Study – Update
Director Pomeroy reported that the Greenhouse Gas Emissions Study is underway. Airport Consultant Mead & Hunt is leading the way. The Airport is conducting a separate study as Airports require a specific type of study that will follow industry accepted GHG emissions analysis. Mead & Hunt Brad Rolf informed the Board that the Airport version of the study ensures double counting will not occur given a traveler will impact numerous airports on a single trip. Board Member Fosbury expressed appreciation for the study.

(33:25)

2. In-house Parking Operations – Discussion
Deputy Director Davis introduced the in-house parking proposal. This is not the first time this topic has been discussed and has recently been discussed with Car Park and Car Park agrees that the Airport is ready for this transition given the success of automation. The transition will address several areas, including continued staffing issues, offer greater operational control as well as annual cost savings. Financial numbers were presented and are available via the PowerPoint. We expect to return to the Board for final approval in January and/or February depending on transitional details.

B. CONTINUING BUSINESS

(40:51)

1. Miscellaneous
 - i. Airport Minimum Standards and Rules and Regulations – Update – **Attachment #7**
Airport Director Pomeroy reported the project continues to move forward and the next phase of the project is stakeholder outreach with meetings scheduled December 14th and January 4th. There is a project website built and contains all the pertinent information with the ability to make comments directly from the webpage. Board Member Fosbury asked if project members should plan to attend the meetings and Director Pomeroy welcomed all members to join the meetings.

(43:18)

2. Construction and Capital Projects
 - i. Air Traffic Control Tower Replacement – Update
Director Pomeroy reported that the Tower committee has had recent meetings and expects to bring a recommendation to the Board during the January meeting.

(43:50)

3. Airport Planning Projects
 - i. Environmental Assessment (Land Acquisition) – Update (See PowerPoint)
Director Pomeroy asked Brad Rolf with Mead & Hunt to provide an update on the Environmental Assessment. Brad Rolf gave an overview of the project to date (see the PowerPoint for details) and reported that the project has reached some significant milestones and the outlook is positive. The FAA has determined that no historic properties are adversely affected, and the State Historic Preservation Office (SHPO) has concurred with the FAA's determination. FAA Final decision expected in Spring of 2022.

(1:03:10)

ii. Terminal Area Plan – Update

Director Pomeroy advised that the financial feasibility study is underway and that a more detailed update will be given at the January meeting.

VIII. PUBLIC COMMENT

(1:03:40)

No Public Comment

IX. EXECUTIVE SESSION

(1:04:00)

No Executive Session

X. ADJOURNMENT

(1:04:28)

The December 7, 2021 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at 6:35 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.*

Friedman Memorial Airport
Profit & Loss Budget vs. Actual (COMBINED '22)

12:59 PM

12/27/2021

Accrual Basis

Ordinary Income/Expense

Income

4000-00 · AIRCARRIER

4000-01 · Aircarrier - Lease Space

4000-02 · Aircarrier - Landing Fees

4000-04 · Aircarrier - Utility Fees

4010-07 · Aircarrier - '14 PFC App

Total 4000-00 · AIRCARRIER

4020-00 · TERMINAL AUTO PARKING REVENUE

4020-01 · Automobile Parking - Terminal

Total 4020-00 · TERMINAL AUTO PARKING REVENUE

4030-00 · AUTO RENTAL REVENUE

4030-01 · Automobile Rental - Commission

4030-02 · Automobile Rental - Lease Space

4030-03 · Automobile Rental - Auto Prkng

4030-04 · Automobile Rental - Utilities

Total 4030-00 · AUTO RENTAL REVENUE

4040-00 · TERMINAL CONCESSION REVENUE

4040-01 · Terminal Shops - Commission

4040-03 · Terminal Shops - Utility Fees

4040-10 · Advertising - Commission

4040-11 · Vending Machines - Commission

4040-12 · Terminal ATM

Total 4040-00 · TERMINAL CONCESSION REVENUE

4050-00 · FBO REVENUE

4050-01 · FBO - Lease Space

4050-02 · FBO - Overnight Parking Fees

4050-04 · FBO - Commission

4050-07 · FBO - Miscellaneous

Total 4050-00 · FBO REVENUE

4060-00 · FUEL FLOWAGE REVENUE

4060-01 · Fuel Flowage - FBO

Total 4060-00 · FUEL FLOWAGE REVENUE

4070-00 · TRANSIENT LANDING FEES REVENUE

4070-02 · Landing Fees - Non-Comm./Gov't

Total 4070-00 · TRANSIENT LANDING FEES REVENUE

4080-00 · HANGAR REVENUE

4080-01 · Land Lease - Hangar

4080-02 · Land Lease - Hangar/Trans. Fee

4080-05 · Land Lease - FMA Hangar Rentals

Total 4080-00 · HANGAR REVENUE

4090-00 · TIEDOWN PERMIT FEES REVENUE

4090-01 · Tiedown Permit Fees (FMA)

Total 4090-00 · TIEDOWN PERMIT FEES REVENUE

4100-00 · CARGO CARRIERS REVENUE

4100-02 · Cargo Carriers - Tiedown

Total 4100-00 · CARGO CARRIERS REVENUE

4110-00 · MISCELLANEOUS REVENUE

4110-01 · Misc. Revenue

4110-09 · Miscellaneous Expense Reimburse

Total 4110-00 · MISCELLANEOUS REVENUE

4120-00 · GROUND TRANSP. PERMIT REVENUE

Oct - Nov 21	Budget	\$ Over Budget	% of Budget
61,630.49	262,500.00	-200,869.51	23.48%
33,319.01	235,000.00	-201,680.99	14.18%
60.00	360.00	-300.00	16.67%
99,540.51	351,000.00	-251,459.49	28.36%
194,550.01	848,860.00	-654,309.99	22.92%
119,302.00	475,000.00	-355,698.00	25.12%
119,302.00	475,000.00	-355,698.00	25.12%
57,925.26	570,000.00	-512,074.74	10.16%
5,100.00	29,000.00	-23,900.00	17.59%
11,260.00	62,000.00	-50,740.00	18.16%
0.00	2,000.00	-2,000.00	0.0%
74,285.26	663,000.00	-588,714.74	11.2%
1,640.88	10,000.00	-8,359.12	16.41%
0.00	2,000.00	-2,000.00	0.0%
8,545.65	30,000.00	-21,454.35	28.49%
944.24	5,000.00	-4,055.76	18.89%
100.00	900.00	-800.00	11.11%
11,230.77	47,900.00	-36,669.23	23.45%
43,475.07	166,500.00	-123,024.93	26.11%
29,606.85	375,000.00	-345,393.15	7.9%
4,213.24	26,000.00	-21,786.76	16.21%
0.00	0.00	0.00	0.0%
77,295.16	567,500.00	-490,204.84	13.62%
46,649.82	375,000.00	-328,350.18	12.44%
46,649.82	375,000.00	-328,350.18	12.44%
71,544.05	650,000.00	-578,455.95	11.01%
71,544.05	650,000.00	-578,455.95	11.01%
160,498.87	649,100.00	-488,601.13	24.73%
420.00	23,000.00	-22,580.00	1.83%
8,424.38	32,960.00	-24,535.62	25.56%
169,343.25	705,060.00	-535,716.75	24.02%
3.00	31,000.00	-30,997.00	0.01%
3.00	31,000.00	-30,997.00	0.01%
0.00	5,500.00	-5,500.00	0.0%
0.00	5,500.00	-5,500.00	0.0%
68.55	5,000.00	-4,931.45	1.37%
85.90	0.00	85.90	100.0%
154.45	5,000.00	-4,845.55	3.09%

	Oct - Nov 21	Budget	\$ Over Budget	% of Budget
4120-01 · Ground Transportation Permit	1,500.00	24,000.00	-22,500.00	6.25%
4120-02 · GTSP - Trip Fee	680.00	5,000.00	-4,320.00	13.6%
Total 4120-00 · GROUND TRANSP. PERMIT REVENUE	2,180.00	29,000.00	-26,820.00	7.52%
4400-00 · TSA/SECURITY				
4400-02 · Terminal Lease	7,070.84	42,000.00	-34,929.16	16.84%
4400-03 · Security Prox. Cards	17,750.00	30,000.00	-12,250.00	59.17%
Total 4400-00 · TSA/SECURITY	24,820.84	72,000.00	-47,179.16	34.47%
4520-00 · INTEREST REVENUE				
4520-01 · Interest Revenue - General	1,226.07	32,930.00	-31,703.93	3.72%
4520-07 · Interest Revenue - '14 PFC	6.45	0.00	6.45	100.0%
4520-08 · Finance Fee Revenue	0.00	0.00	0.00	0.0%
Total 4520-00 · INTEREST REVENUE	1,232.52	32,930.00	-31,697.48	3.74%
4600-00 · CARES Act Grant Operational				
4600-01 · CARES Act Grant Operational	0.00	2,000,000.00	-2,000,000.00	0.0%
Total 4600-00 · CARES Act Grant Operational	0.00	2,000,000.00	-2,000,000.00	0.0%
4747-00 · AIP '47 - Acq.SRE/ARFF, Obs.Rem				
4747-01 · AIP '47-Acq.SRE/ARFF&Obs. Remov	-11,921.40	0.00	-11,921.40	100.0%
Total 4747-00 · AIP '47 - Acq.SRE/ARFF, Obs.Rem	-11,921.40	0.00	-11,921.40	100.0%
4749-00 · AIP '49 - Acq. SRE/Pavement Mai				
4749-01 · AIP '49 - Acq. SRE/Pavement Mai	-3,402.17	0.00	-3,402.17	100.0%
Total 4749-00 · AIP '49 - Acq. SRE/Pavement Mai	-3,402.17	0.00	-3,402.17	100.0%
4751-00 · EA - Land Acq. - Approach Prote				
4751-01 · EA - Land Acq. Approach Protect	-47,220.21	0.00	-47,220.21	100.0%
Total 4751-00 · EA - Land Acq. - Approach Prote	-47,220.21	0.00	-47,220.21	100.0%
4752-00 · CARES Act				
4752-01 · CARES Act	0.00	4,822,213.00	-4,822,213.00	0.0%
Total 4752-00 · CARES Act	0.00	4,822,213.00	-4,822,213.00	0.0%
4753-00 · AIP '53 - Rehabilitate Runway				
4753-01 · AIP '53 - Rehabilitate Runway	0.00	1,429,688.00	-1,429,688.00	0.0%
4753-00 · AIP '53 - Rehabilitate Runway - Other	-436,113.47			
Total 4753-00 · AIP '53 - Rehabilitate Runway	-436,113.47	1,429,688.00	-1,865,801.47	-30.5%
4800-00 · Current Year AIP	0.00	14,251,875.00	-14,251,875.00	0.0%
49900 · Uncategorized Income	1,249.99			
Total Income	295,183.87	27,011,526.00	-26,716,342.13	1.09%
Gross Profit	295,183.87	27,011,526.00	-26,716,342.13	1.09%
Expense				
5000 · EXPENDITURES				
5000-00 · "A" EXPENSES				
5000-01 · Salaries - Airport Director	27,715.00	158,371.00	-130,656.00	17.5%
5010-00 · Salaries - Deputy Director F&A	18,550.00	106,000.00	-87,450.00	17.5%
5010-01 · Salaries - Admin Coordinator	11,990.82	120,000.00	-108,009.18	9.99%
5010-03 · Salaries - Sr Admin Coordinator	12,836.93	71,302.00	-58,465.07	18.0%
5020-00 · Salaries - Deputy Director O&M	19,805.28	100,700.00	-80,894.72	19.67%
5030-00 · Salaries - ARFF/OPS Specialist	89,565.71	577,139.00	-487,573.29	15.52%
5040-00 · Salaries- Security Manager	16,024.39	91,568.00	-75,543.61	17.5%
5050-00 · Salaries- Seasonal-Snow Removal	5,475.00	70,000.00	-64,525.00	7.82%
5050-01 · Salaries - Seasonal - Arpt Host	0.00	5,000.00	-5,000.00	0.0%
5050-02 · Salaries - Merit Increase	0.00	79,084.00	-79,084.00	0.0%
5050-03 · Salaries - One-time Pay	0.00	5,000.00	-5,000.00	0.0%
5050-04 · Salaries - ARFF Coverage	1,320.00	9,600.00	-8,280.00	13.75%
5060-01 · Overtime - General	0.00	2,000.00	-2,000.00	0.0%
5060-02 · Overtime - Snow Removal	0.00	45,000.00	-45,000.00	0.0%
5100-00 · Retirement	22,722.23	161,550.00	-138,827.77	14.07%
5110-00 · Social Security/Medicare	14,873.72	110,250.00	-95,376.28	13.49%
5120-00 · Life Insurance	0.00	2,000.00	-2,000.00	0.0%

	Oct - Nov 21	Budget	\$ Over Budget	% of Budget
5130-00 · Medical Insurance	38,613.43	255,000.00	-216,386.57	15.14%
5160-00 · Workman's Compensation	0.00	20,000.00	-20,000.00	0.0%
5170-00 · Unemployment Claims	0.00	0.00	0.00	0.0%
Total 5000-00 · "A" EXPENSES	279,492.51	1,989,564.00	-1,710,071.49	14.05%
6000 · "B" EXPENDITURES				
6000-0 · "B" EXPENSES - ADMINISTRATIVE				
6000-00 · TRAVEL EXPENSE				
6000-01 · Travel	4,075.00	40,000.00	-35,925.00	10.19%
Total 6000-00 · TRAVEL EXPENSE	4,075.00	40,000.00	-35,925.00	10.19%
6010-00 · SUPPLIES/EQUIPMENT EXPENSE				
6010-01 · Supplies - Office	1,344.14	8,000.00	-6,655.86	16.8%
6010-02 · Supplies - Parking	0.00	1,000.00	-1,000.00	0.0%
6010-03 · Supplies - Computer	9,508.14	13,000.00	-3,491.86	73.14%
Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE	10,852.28	22,000.00	-11,147.72	49.33%
6020-00 · INSURANCE				
6020-01 · Insurance	26,204.50	55,920.00	-29,715.50	46.86%
Total 6020-00 · INSURANCE	26,204.50	55,920.00	-29,715.50	46.86%
6030-00 · UTILITIES				
6030-01 · Utilities - Gas/Terminal	1,007.00	15,000.00	-13,993.00	6.71%
6030-02 · Utilities - Gas/AOB & Cold Stor	974.00	4,700.00	-3,726.00	20.72%
6030-03 · Utilities - Elect./Runway&PAPI	954.55	6,000.00	-5,045.45	15.91%
6030-04 · Utilities - Elec./AOB & Cold St	1,177.84	8,100.00	-6,922.16	14.54%
6030-05 · Utilities - Electric/Terminal	6,824.75	56,000.00	-49,175.25	12.19%
6030-06 · Utilities - Telephone	2,681.65	17,200.00	-14,518.35	15.59%
6030-07 · Utilities - Water	150.85	11,000.00	-10,849.15	1.37%
6030-08 · Utilities - Garbage Removal	2,412.97	13,500.00	-11,087.03	17.87%
6030-09 · Utilities - Sewer	751.66	4,800.00	-4,048.34	15.66%
6030-11 · Utilities - Electric/Tower	880.64	5,800.00	-4,919.36	15.18%
6030-12 · Utilities - Elec./Brdfld.Hghl	75.44	400.00	-324.56	18.86%
6030-13 · Utilities - Elec. Exit Booth	185.16	2,200.00	-2,014.84	8.42%
6030-15 · Utilities - Elec/AWOS	343.24	3,800.00	-3,456.76	9.03%
6030-16 · Utilities - Elec. Wind Cone	22.58	150.00	-127.42	15.05%
6030-17 · Utilities - Elec./Gas- Hangar	647.30	3,500.00	-2,852.70	18.49%
6030-18 · Utilities - Lubricant Wst. Dspl	0.00	600.00	-600.00	0.0%
Total 6030-00 · UTILITIES	19,089.63	152,750.00	-133,660.37	12.5%
6040-00 · SERVICE PROVIDER				
6040-02 · Service Provider - Term. Serv.	971.61	8,900.00	-7,928.39	10.92%
6040-03 · Service Provider - AOB Services	7,932.38	52,000.00	-44,067.62	15.26%
6040-04 · Service Provider-Ops./Airfield	27,115.00	16,000.00	11,115.00	169.47%
Total 6040-00 · SERVICE PROVIDER	36,018.99	76,900.00	-40,881.01	46.84%
6050-00 · PROFESSIONAL SERVICES				
6050-01 · Professional Services - Legal	20,649.90	80,000.00	-59,350.10	25.81%
6050-02 · Professional Serv. - Audit/Fina	29,704.00	70,000.00	-40,296.00	42.43%
6050-03 · Professional Services - Engineer	5,635.82	25,000.00	-19,364.18	22.54%
6050-04 · Professional Services - HR	495.00	12,000.00	-11,505.00	4.13%
6050-05 · Professional Services - Gen.	2,550.00	15,000.00	-12,450.00	17.0%
6050-10 · Prof. Svcs.-IT/Comp. Support	10,365.00	80,000.00	-69,635.00	12.96%
6050-12 · Prof. Serv.- Planning Air Serv.	615.00	8,000.00	-7,385.00	7.69%
6050-13 · Prof. Serv.-Website Des.& Maint	2,950.62	4,000.00	-1,049.38	73.77%
6050-15 · Prof. Serv.-Comm/Public Outreac	1,280.25	42,000.00	-40,719.75	3.05%
6050-17 · Prof. Serv. - Airspace Consult.	0.00	55,000.00	-55,000.00	0.0%
6050-18 · Prof. Services - Approach Maint	0.00	8,000.00	-8,000.00	0.0%
6050-19 · Prof. Serv.-ATCT Relocation	4,449.40	55,000.00	-50,550.60	8.09%
6050-20 · Prof Services - New Approach	0.00	75,000.00	-75,000.00	0.0%
6050-21 · Professional Services - Other	0.00	25,000.00	-25,000.00	0.0%
Total 6050-00 · PROFESSIONAL SERVICES	78,694.99	554,000.00	-475,305.01	14.21%

	Oct - Nov 21	Budget	\$ Over Budget	% of Budget
6060-00 · MAINTENANCE-OFFICE EQUIPMENT				
6060-04 · Maintenance - Copier	247.08	2,000.00	-1,752.92	12.35%
6060-05 · Maintenance - Phone	0.00	1,300.00	-1,300.00	0.0%
Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT	247.08	3,300.00	-3,052.92	7.49%
6070-00 · RENT/LEASE OFFICE EQUIPMENT				
6070-02 · Rent/Lease - Postage Meter	292.65	1,200.00	-907.35	24.39%
Total 6070-00 · RENT/LEASE OFFICE EQUIPMENT	292.65	1,200.00	-907.35	24.39%
6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E				
6080-01 · Dues/Memberships	675.00	6,000.00	-5,325.00	11.25%
6080-04 · Publications	195.00	2,500.00	-2,305.00	7.8%
Total 6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E	870.00	8,500.00	-7,630.00	10.24%
6090-00 · POSTAGE				
6090-01 · Postage/Courier Service	55.46	1,500.00	-1,444.54	3.7%
Total 6090-00 · POSTAGE	55.46	1,500.00	-1,444.54	3.7%
6100-00 · EDUCATION/TRAINING				
6100-01 · Education/Training - Admin.	0.00	10,000.00	-10,000.00	0.0%
6100-02 · Education/Training - OPS	3,900.04	14,000.00	-10,099.96	27.86%
6100-03 · Education/Training - ARFF	15,142.50	12,000.00	3,142.50	126.19%
6100-06 · Education - Security	0.00	3,000.00	-3,000.00	0.0%
6100-08 · Education/Training - HFD	0.00	5,000.00	-5,000.00	0.0%
Total 6100-00 · EDUCATION/TRAINING	19,042.54	44,000.00	-24,957.46	43.28%
6101-00 · PUBLIC OUTREACH/COMMUNICATIONS				
6101-01 · Advertising/Social Media/Sponso	9,459.85	35,000.00	-25,540.15	27.03%
6101-02 · Public Outr/Comm - Noise Abatem	0.00	500.00	-500.00	0.0%
6101-03 · Public Outr/Comm - SAAC	4,232.26	8,000.00	-3,767.74	52.9%
Total 6101-00 · PUBLIC OUTREACH/COMMUNICATIONS	13,692.11	43,500.00	-29,807.89	31.48%
6110-00 · CONTRACTS				
6110-02 · Contracts - FMAA	7,000.00	42,000.00	-35,000.00	16.67%
6110-16 · Contracts - Prkg Mngt Fee/Ops	14,560.23	262,000.00	-247,439.77	5.56%
6110-17 · Contracts - Landing Fee Equip.	0.00	15,000.00	-15,000.00	0.0%
6110-18 · Contracts - Vector Commissions	9,300.73	97,500.00	-88,199.27	9.54%
Total 6110-00 · CONTRACTS	30,860.96	416,500.00	-385,639.04	7.41%
6130-00 · MISCELLANEOUS EXPENSES				
6130-01 · Misc. - General	765.25	15,000.00	-14,234.75	5.1%
6140-00 · Bank Fees	5,529.67	15,000.00	-9,470.33	36.86%
6140-01 · Merchant Fees	82.94	250.00	-167.06	33.18%
6150-01 · Interest Exp. - Prkg. Lot Equip	0.00	0.00	0.00	0.0%
Total 6130-00 · MISCELLANEOUS EXPENSES	6,377.86	30,250.00	-23,872.14	21.08%
Total 6000-0 · "B" EXPENSES - ADMINISTRATIVE	246,374.05	1,450,320.00	-1,203,945.95	16.99%
6001 · "B" EXPENSES - OPERATIONAL				
6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS				
6500-01 · Supplies/Equipment - General	2,047.92	7,500.00	-5,452.08	27.31%
6500-02 · Supplies/Equipment - Tools	0.00	8,000.00	-8,000.00	0.0%
6500-03 · Supplies/Equipment - Clothing	694.74	3,500.00	-2,805.26	19.85%
6500-04 · Supplies/Equipment - Janitorial	2,789.75	22,000.00	-19,210.25	12.68%
Total 6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS	5,532.41	41,000.00	-35,467.59	13.49%
6505-00 · EQUIP/VEHICLE - LEASE/RENTAL				
6505-01 · Eq./Vehi Lease/Rental - General	77,900.32	90,000.00	-12,099.68	86.56%
Total 6505-00 · EQUIP/VEHICLE - LEASE/RENTAL	77,900.32	90,000.00	-12,099.68	86.56%
6510-00 · FUEL/LUBRICANTS				
6510-02 · Fuel	0.00	50,000.00	-50,000.00	0.0%
6510-03 · Lubricants	0.00	5,000.00	-5,000.00	0.0%
Total 6510-00 · FUEL/LUBRICANTS	0.00	55,000.00	-55,000.00	0.0%
6520-00 · VEHICLES/MAINTENANCE				
6520-01 · R/M Equipment - General	1,942.11	19,000.00	-17,057.89	10.22%

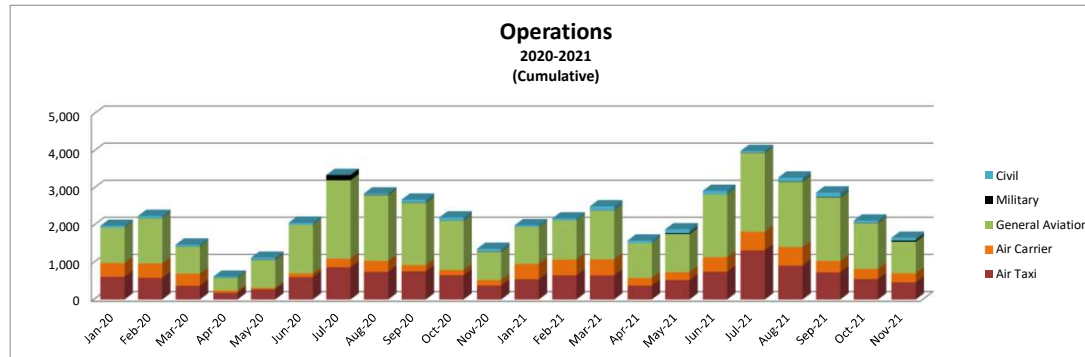
	Oct - Nov 21	Budget	\$ Over Budget	% of Budget
6520-06 · R/M Equip. - '85 Ford Dump	357.18	1,000.00	-642.82	35.72%
6520-08 · R/M Equip. - '96 Tiger Tractor	0.00	1,200.00	-1,200.00	0.0%
6520-17 · R/M Equip. '01 Case 921 Ldr.	0.00	500.00	-500.00	0.0%
6520-20 · R/M Equip. - '02 Kodiak Blower	196.51	750.00	-553.49	26.2%
6520-25 · R/M Equip. - '04 Batts De-Ice	0.00	500.00	-500.00	0.0%
6520-28 · R/M Equip.-'06 Case 621 Loader	0.00	1,000.00	-1,000.00	0.0%
6520-29 · R/M Equip.- '10 Waus Broom/Plow	0.00	1,100.00	-1,100.00	0.0%
6520-30 · R/M Equip.-'05 Ford F-350	0.00	1,600.00	-1,600.00	0.0%
6520-31 · R/M Equip. - '10 Oshkosh Blower	0.00	3,500.00	-3,500.00	0.0%
6520-32 · R/M Equip. - '09 Mini Truck	0.00	350.00	-350.00	0.0%
6520-34 · R/M Equip. - '12 Case 921F Load	0.00	2,500.00	-2,500.00	0.0%
6520-35 · R/M Equip. - '14 Ford Explorer	296.21	3,100.00	-2,803.79	9.56%
6520-36 · R/M Equip. - '10 Toyota Forklif	0.00	250.00	-250.00	0.0%
6520-37 · R/M Equip. - '15 Tool Cat	803.10	400.00	403.10	200.78%
6520-38 · R/M Equip. - '15 Wausau Broom	0.00	10,500.00	-10,500.00	0.0%
6520-40 · R/M Equip. - '17 Ford-350 Super	0.00	4,400.00	-4,400.00	0.0%
6520-41 · R/M Equip. - '17 Kodiak Blower	414.93	1,500.00	-1,085.07	27.66%
6520-43 · R/M Equip. - '18 279D Skid St.	247.99	500.00	-252.01	49.6%
6520-44 · R/M Equip. - '18 Cat 972M Ldr	0.00	1,000.00	-1,000.00	0.0%
6520-45 · R/M Equip. - '19 Oshkosh Broom	0.00	10,500.00	-10,500.00	0.0%
6520-46 · R/M Equip. - '20 Chev. 1500 PU	0.00	3,500.00	-3,500.00	0.0%
6520-47 · R/M Equip. - '19 Cat 972M Ldr	12.99	1,000.00	-987.01	1.3%
6520-48 · R/M Equip.-'18 New Holland Trac	0.00	1,000.00	-1,000.00	0.0%
6520-49 · R/M Equip. - '21 MB Combo	261.11	11,000.00	-10,738.89	2.37%
6520-50 · R/M Equip. - '22 MB Combo	0.00	10,000.00	-10,000.00	0.0%
6520-51 · R/M Equip. - '22 MB Deice Truck	0.00	3,000.00	-3,000.00	0.0%
6520-52 · R/M Equip. - '22 MB4 Blower	72.44	1,000.00	-927.56	7.24%
6520-00 · VEHICLES/MAINTENANCE - Other	38.45			
Total 6520-00 · VEHICLES/MAINTENANCE	4,643.02	95,650.00	-91,006.98	4.85%
6530-00 · ARFF MAINTENANCE				
6530-01 · ARFF Maint. Gen/Supplies	1,702.52	10,000.00	-8,297.48	17.03%
6530-03 · ARFF Maint. - '87 Oshkosh	0.00	400.00	-400.00	0.0%
6530-04 · ARFF Maint. - Radios	230.00	3,500.00	-3,270.00	6.57%
6530-05 · ARFF MAint. - '03 E-One	0.00	2,500.00	-2,500.00	0.0%
6530-06 · ARFF Maint. - '20 Oshkosh Strik	0.00	1,000.00	-1,000.00	0.0%
Total 6530-00 · ARFF MAINTENANCE	1,932.52	17,400.00	-15,467.48	11.11%
6540-00 · REPAIRS/MAINTENANCE - BUILDING				
6540-01 · R/M Bldg. - General	0.00	1,500.00	-1,500.00	0.0%
6540-02 · R/M Bldg. - Terminal	17,111.98	110,000.00	-92,888.02	15.56%
6540-03 · R/M Bldg. - Terminal Concession	0.00	2,500.00	-2,500.00	0.0%
6540-04 · R/M Bldg. - Cold Storage	300.00	1,500.00	-1,200.00	20.0%
6540-05 · R/M Bldg. - AOB/SHOP	3,262.59	15,000.00	-11,737.41	21.75%
6540-06 · R/M Bldg. - Hangars	0.00	5,000.00	-5,000.00	0.0%
6540-07 · R/M Bldg. - Tower	840.00	7,000.00	-6,160.00	12.0%
6540-08 · R/M Bldg. - Parking Booth	403.00	1,000.00	-597.00	40.3%
6540-09 · ZzZ_R/M Bldg. - Landscaping	0.00	0.00	0.00	0.0%
Total 6540-00 · REPAIRS/MAINTENANCE - BUILDING	21,917.57	143,500.00	-121,582.43	15.27%
6550-00 · REPAIRS/MAINTENANCE - AIRSIDE				
6550-01 · R/M - General	525.99	8,000.00	-7,474.01	6.58%
6550-02 · R/M - Airfield/Runway	222.00	60,000.00	-59,778.00	0.37%
6550-03 · R/M - Airfield/Runway - Deice	8,597.94	120,000.00	-111,402.06	7.17%
6550-04 · R/M - Lights	11.05	15,000.00	-14,988.95	0.07%
Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE	9,356.98	203,000.00	-193,643.02	4.61%
6551-00 · REPAIRS/MAINTENANCE - LANDSIDE				
6551-01 · RM - General	0.00	1,000.00	-1,000.00	0.0%
6551-02 · R/M - Parking Lot	0.00	7,000.00	-7,000.00	0.0%

	Oct - Nov 21	Budget	\$ Over Budget	% of Budget
6551-03 · R/M - Landscaping	1,732.55	11,000.00	-9,267.45	15.75%
Total 6551-00 · REPAIRS/MAINTENANCE - LANDSIDE	1,732.55	19,000.00	-17,267.45	9.12%
6560-00 · SECURITY EXPENSE				
6560-01 · Security - General	120.00	22,000.00	-21,880.00	0.55%
6560-02 · Security - Law Enf. Offi. (LEO)	0.00	10,000.00	-10,000.00	0.0%
6560-03 · Security - Subscription Licen.	11,998.40	61,665.00	-49,666.60	19.46%
6560-04 · Security - Perim./Access/CCTV	316.07	18,000.00	-17,683.93	1.76%
6560-05 · Security - Professional Serv.	0.00	10,900.00	-10,900.00	0.0%
6560-06 · Security - Prof. Services/IT	0.00	0.00	0.00	0.0%
Total 6560-00 · SECURITY EXPENSE	12,434.47	122,565.00	-110,130.53	10.15%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU				
6570-01 · R/M Aeronautical Equip - NDB/DME	2,129.20	10,000.00	-7,870.80	21.29%
6570-02 · R/M Aeronautical Equip. - Tower	1,064.60	8,000.00	-6,935.40	13.31%
6570-04 · R/M Aeron. Equip. - AWOS/ATIS	3,259.47	8,500.00	-5,240.53	38.35%
6570-05 · R/M Aeron. Equip/- Aircraft Ca	0.00	0.00	0.00	0.0%
Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU	6,453.27	26,500.00	-20,046.73	24.35%
Total 6001 · "B" EXPENSES - OPERATIONAL	141,903.11	813,615.00	-671,711.89	17.44%
Total 6000 · "B" EXPENDITURES	388,277.16	2,263,935.00	-1,875,657.84	17.15%
7000 · "C" EXPENSES				
7001-00 · CAPITAL EXPENDITURES				
7001-02 · Buildings and Improvements	0.00	150,000.00	-150,000.00	0.0%
7001-03 · Airfield & General Improvements	85,990.84	1,485,000.00	-1,399,009.16	5.79%
7001-05 · Maintenance Equipment /Vehicle	0.00	50,000.00	-50,000.00	0.0%
7001-06 · Assessments/Plans/Studies	4,416.25	99,000.00	-94,583.75	4.46%
7001-09 · Security Equipment	0.00	20,000.00	-20,000.00	0.0%
7001-10 · SRE Aquisition Non-AIP	0.00	1,518,213.00	-1,518,213.00	0.0%
7001-99 · CONTINGENCY	0.00	1,000,000.00	-1,000,000.00	0.0%
Total 7001-00 · CAPITAL EXPENDITURES	90,407.09	4,322,213.00	-4,231,805.91	2.09%
7550-00 · Terminal Area Plan (TAP)				
7550-01 · AIP '50 - Eligible	15,059.20	0.00	15,059.20	100.0%
Total 7550-00 · Terminal Area Plan (TAP)	15,059.20	0.00	15,059.20	100.0%
7551-00 · EA - Land Acq - Approach Protec				
7551-01 · AIP '51 - Eligible	4,060.80	0.00	4,060.80	100.0%
Total 7551-00 · EA - Land Acq - Approach Protec	4,060.80	0.00	4,060.80	100.0%
7553-00 · AIP '53 - Rehab RW, TW & Apron				
7553-01 · AIP '53 - Eligible	58,577.07			
Total 7553-00 · AIP '53 - Rehab RW, TW & Apron	58,577.07			
7556-00 · AIP '56 - Rehab Runway Phase 2				
7556-01 · AIP '56 - Eligible	271,988.62			
Total 7556-00 · AIP '56 - Rehab Runway Phase 2	271,988.62			
8500-00 · Capital Imp. Program (CIP)				
8501-00 · CIP - General				
8501-01 · General	0.00	16,727,000.00	-16,727,000.00	0.0%
8501-00 · CIP - General - Other	0.00	0.00	0.00	0.0%
Total 8501-00 · CIP - General	0.00	16,727,000.00	-16,727,000.00	0.0%
8504-00 · CIP 04-2021 MB4 Snow Blower				
8504-01 · CIP 04-2021 MB4 Snow Blower	721,497.12			
Total 8504-00 · CIP 04-2021 MB4 Snow Blower	721,497.12			
Total 8500-00 · Capital Imp. Program (CIP)	721,497.12	16,727,000.00	-16,005,502.88	4.31%
Total 7000 · "C" EXPENSES	1,161,589.90	21,049,213.00	-19,887,623.10	5.52%
Total 5000 · EXPENDITURES	1,829,359.57	25,302,712.00	-23,473,352.43	7.23%
Total Expense	1,829,359.57	25,302,712.00	-23,473,352.43	7.23%
Net Ordinary Income	-1,534,175.70	1,708,814.00	-3,242,989.70	-89.78%
Net Income	-1,534,175.70	1,708,814.00	-3,242,989.70	-89.78%

**Friedman Memorial Airport
November 2021**

ATTACHMENT 3

ATCT Traffic Operations Record																					
Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1,987	2,001
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	2,253	2,185
March	4,952	5,126	3,086	4,097	3,618	2,918	4,677	3,097	2,145	2,709	1,813	1,921	2,753	1,924	2,023	1,917	1,895	1,860	2,016	1,480	2,512
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	616	1,590
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	1,127	1,894
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	2,164	2,387	2,475	2,502	2,552	2,292	2,069	2,931
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	3,356	4,005
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	2,859	3,289
September	3,871	4,636	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	2,692	2,884
October	3,879	3,656	3,426	2,936	3,570	3,339	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	2,212	2,128
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	1,365	1,665
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	1,960	2,051	0
Totals	50,858	55,897	44,739	45,032	43,607	43,002	50,712	33,836	31,699	32,350	30,555	28,269	32,140	23,307	24,815	26,716	26,692	26,571	24,577	24,067	27,084

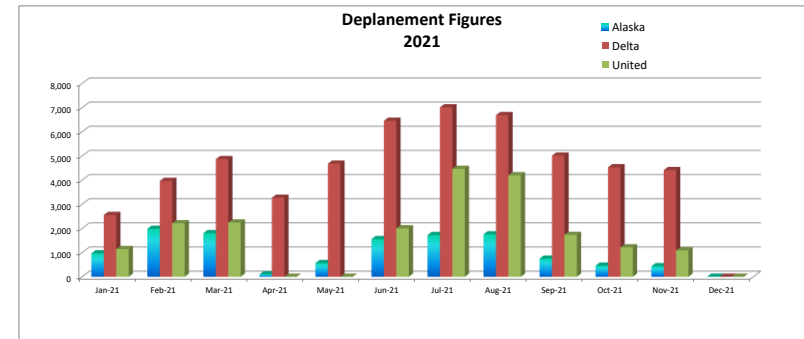
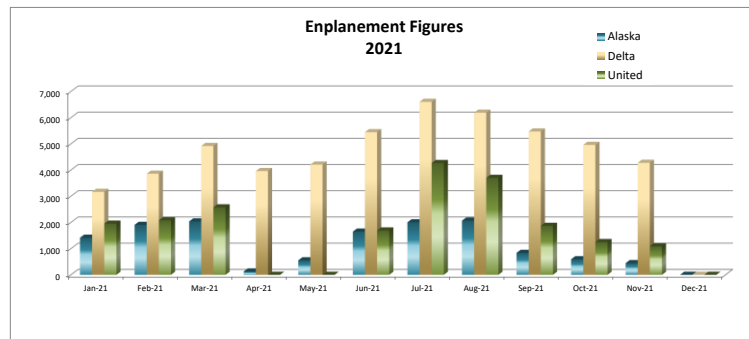


ATCT Operations Change (November 2020 vs. November 2021)			
	2021	2020	% Change
Air Taxi	463	380	21.8%
Air Carrier	244	147	66.0%
General Aviation	850	756	12.4%
Military	34	6	466.7%
Civil	74	76	-2.6%
Total	1,665	1,365	22.0%
YTD Total	27,084	22,016	23.0%

**Friedman Memorial Airport
November 2021**

2021 Enplanements																	
Date	Alaska Airlines					Delta Airlines					United Airlines					Total Enp.	Prior Year Total Enp.
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change		
Jan-21	1,355	61	1,416	1,862	-24%	3,101	67	3,168	3,922	-19%	1,905	48	1,953	3,453	-43%	6,537	9,237
Feb-21	1,844	63	1,907	2,146	-11%	3,791	68	3,859	4,613	-16%	2,040	41	2,081	4,576	-55%	7,847	11,335
Mar-21	1,976	62	2,038	1,274	60%	4,860	58	4,918	2,659	85%	2,507	69	2,576	2,467	4%	9,532	6,400
Apr-21	120	7	127	0	100%	3,907	53	3,960	107	3601%	0	0	0	0	100%	4,087	107
May-21	525	29	554	0	0%	4,137	70	4,207	220	1812%	0	0	0	0	0%	4,761	220
Jun-21	1,598	52	1,650	145	1038%	5,377	68	5,445	764	613%	1,642	51	1,693	220	670%	8,788	1,129
Jul-21	1,943	61	2,004	859	133%	6,526	76	6,602	777	750%	4,175	91	4,266	1,728	147%	12,872	3,364
Aug-21	2,027	42	2,069	1,047	98%	6,092	96	6,188	2,029	205%	3,638	63	3,701	1,839	101%	11,958	4,915
Sep-21	799	39	838	611	37%	5,397	74	5,471	1,988	175%	1,833	37	1,870	351	433%	8,179	2,950
Oct-21	579	15	594	421	41%	4,892	67	4,959	2,354	111%	1,218	32	1,250	0	0%	6,803	2,775
Nov-21	431	16	447	283	58%	4,185	90	4,275	1,442	196%	1,065	22	1,087	0	0%	5,809	1,725
Totals	13,197	447	13,644	9,276	47%	52,265	787	53,052	20,875	154%	20,023	454	20,477	14,634	40%	87,173	44,157

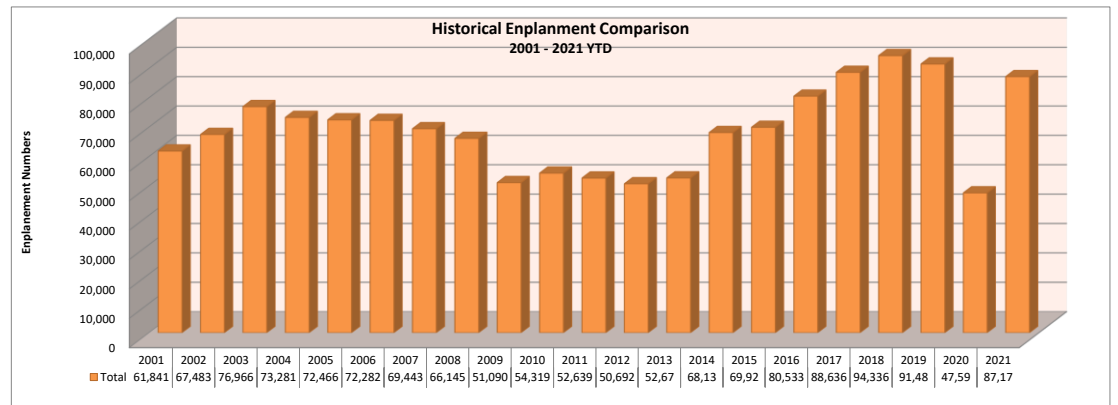
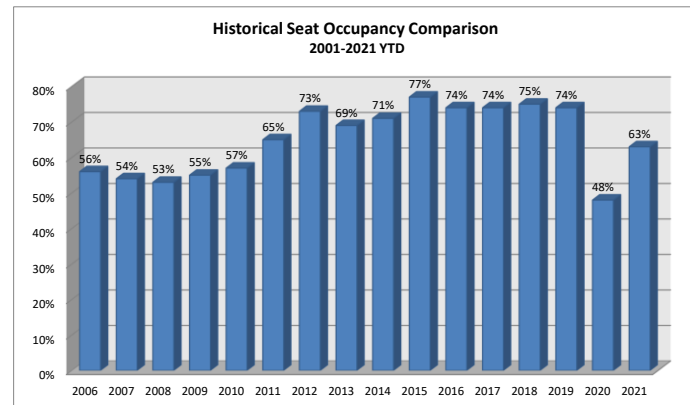
2021 Deplanements																	
Date	Alaska Airlines					Delta Airlines					United Airlines					Total Dep.	Prior Year Total Dep.
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change		
Jan-21	912	57	969	1,642	-41%	2,509	48	2,557	3,069	-17%	1,110	37	1,147	2,614	-56%	4,673	7,325
Feb-21	1,930	56	1,986	2,354	-16%	3,913	54	3,967	4,551	-13%	2,169	46	2,215	4,704	-53%	8,168	11,609
Mar-21	1,734	71	1,805	1,030	75%	4,814	56	4,870	2,284	113%	2,176	71	2,247	1,875	20%	8,922	5,189
Apr-21	91	5	96	0	100%	3,212	58	3,270	73	4379%	0	0	0	0	100%	3,366	73
May-21	544	21	565	0	0%	4,605	77	4,682	203	2206%	0	0	0	0	0%	5,247	203
Jun-21	1,483	75	1,558	164	850%	6,384	76	6,460	793	715%	1,947	58	2,005	426	371%	10,023	1,383
Jul-21	1,675	52	1,727	744	132%	6,948	67	7,015	964	628%	4,395	73	4,468	1,996	124%	13,210	3,704
Aug-21	1,705	51	1,756	923	90%	6,594	100	6,694	1,776	277%	4,149	51	4,200	1,437	192%	12,650	4,136
Sep-21	723	27	750	559	34%	4,937	76	5,013	1,992	152%	1,699	34	1,733	293	491%	7,496	2,844
Oct-21	449	10	459	359	28%	4,462	70	4,532	1,971	130%	1,192	26	1,218	0	0%	6,209	2,330
Nov-21	419	17	436	240	82%	4,315	101	4,416	1,668	165%	1,062	27	1,089	0	0%	5,941	1,908
Totals	11,665	442	12,107	8,015	51%	52,693	783	53,476	19,344	176%	19,899	423	20,322	13,345	52%	85,905	40,704



**Friedman Memorial Airport
November 2021**

2021 Seat Occupancy																		
Date	Alaska Airlines				Delta Airlines				United Airlines				Seat Occupancy Totals			Seat Occupancy Totals Prior Year Comparison		
	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Total Seats Available	Total Seats Occupied	Total Percent Occupied	% Change Total Seats Available	% Change Total Seats Occupied	Change in Load Factor %
Jan-21	32	2,432	1,416	58%	123	8,640	3,168	37%	57	3,996	1,953	49%	15,068	6,537	43%	14%	-29%	-27%
Feb-21	39	2,964	1,907	64%	112	7,852	3,859	49%	58	4,060	2,081	51%	14,876	7,847	53%	1%	-31%	-24%
Mar-21	36	2,736	2,038	74%	124	8,686	4,918	57%	58	4,060	2,576	63%	15,482	9,532	62%	21%	49%	12%
Apr-21	3	228	127	56%	96	6,756	3,960	59%	0	0	0	0%	6,984	4,087	59%	229%	3720%	54%
May-21	15	1,140	554	49%	93	6,516	4,207	65%	0	0	0	0%	7,656	4,761	62%	473%	2064%	46%
Jun-21	30	2,280	1,650	72%	116	8,126	5,445	67%	44	3,086	1,693	55%	13,492	8,788	65%	301%	678%	31%
Jul-21	31	2,356	2,004	85%	124	8,692	6,602	76%	92	6,446	4,266	66%	17,494	12,872	74%	100%	283%	36%
Aug-21	31	2,356	2,069	88%	124	8,680	6,188	71%	93	6,510	3,701	57%	17,546	11,958	68%	63%	143%	22%
Sep-21	14	1,064	838	79%	97	6,802	5,471	80%	43	3,010	1,870	62%	10,876	8,179	75%	71%	177%	29%
Oct-21	9	684	594	87%	91	6,370	4,959	78%	30	2,100	1,250	60%	9,154	6,803	74%	71%	145%	22%
Nov-21	8	608	447	74%	88	6,172	4,275	69%	29	2,030	1,087	54%	8,810	5,809	66%	53%	237%	36%
Totals	248	18,848	13,644	72%	1,188	83,292	53,052	64%	504	35,298	20,477	58%	137,438	87,173	63%	63%	97%	11%

Note: *Preliminary available seat calculations based on scheduled flights. Actual available seat calculations will be updated periodically when official DOT numbers are obtained.



Financial Statements

Friedman Memorial Airport Authority
Includes Supplementary Information
Years Ended September 30, 2021 and 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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 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 this information is 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 4, 2022, 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 4, 2022

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2021 and 2020

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, 2021. 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.

The airport continues to be served by three air carriers – Delta, United, and Alaska Airlines. Delta Airlines remains a year-round carrier (direct service to Salt Lake City), with United beginning year-round service in September 2021 and Alaska providing seasonal service. Markets served by our three air carriers in 2021 included Chicago (limited – winter only), Denver, Los Angeles, Salt Lake City, San Francisco, and Seattle. During fiscal year 2021, enplanements were up 48% over fiscal year 2020. Through October 2021, calendar year 2021 passenger enplanements increased 92% through the same period in 2020. The increase in enplanements was a result of the global economic recovery still in progress. Overall traffic operations have increased significantly. Through November 2021, total operations are up 23% compared to the same period for Calendar year 2020. The increase in activity is a result of the continued economic recovery from the COVID-19 pandemic.

As has historically been the case at SUN, traveler inconvenience due to frequent flight cancellations and diversions as a result of high instrument approach weather minimums at the airport is an often-stated concern and reason for travelers to be reluctant to return to SUN. Since mid-2018, with the expertise of an instrument approach designer, the Authority worked to implement a new approach. The new approach was active December 2020 and has resulted in a significant improvement in reliability.

In partnership with 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 2021 saw the Authority and staff continue to focus on maintenance and upkeep of our facilities, with a conservative approach to expenditures given the ongoing pandemic. Airport revenue streams and activity have rebounded to record levels in many cases; however, a conservative approach will be taken given the pandemic is still a factor. The Authority remains financially well positioned to sustain operations given financially prudent business decisions and the supplemental funds provided by the FAA.

The Authority made progress with regard to ongoing planning efforts, including the Terminal Area Plan (TAP) and the design for the upcoming runway project which will occur in FY 2022. Snow removal equipment remains the key to maintaining the airfield and bolstering/replacing an aged fleet has been a high priority for the Authority. The Authority took possession of a new Aircraft Rescue Fire Fighting (ARFF) truck. This piece of equipment is paramount in maintaining our Federal Part 139 requirements.

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

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021 and 2020**

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.

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 \$58,594,344 as of September 30, 2021, an increase of \$725,587 from the prior year. A condensed summary of the Authority's financial position at September 30th is shown below.

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
ASSETS:				
Current Assets	\$ 9,373,772	\$ 7,324,295	\$ 2,049,477	28.0%
Capital Assets	<u>49,563,030</u>	<u>51,561,010</u>	<u>(1,997,980)</u>	-3.9%
Total Assets	<u>58,936,802</u>	<u>58,885,305</u>	<u>51,497</u>	0.1%
LIABILITIES:				
Current Liabilities	319,674	1,006,446	(686,772)	-68.2%
Noncurrent Liabilities	<u>22,784</u>	<u>10,102</u>	<u>12,682</u>	125.5%
Total Liabilities	<u>342,458</u>	<u>1,016,548</u>	<u>(674,090)</u>	-66.3%
NET POSITION:				
Invested in capital assets	49,563,030	51,561,010	(1,997,980)	-3.9%
Restricted	5,500	5,500	-	-
Unrestricted	<u>9,025,814</u>	<u>6,302,247</u>	<u>2,723,567</u>	43.2%
Net Position	<u>\$ 58,594,344</u>	<u>\$ 57,868,757</u>	<u>\$ 725,587</u>	1.3%

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021 and 2020**

The largest portion of the Authority's net position is invested in capital assets (e.g. land, buildings, improvements and equipment). 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.

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>2021</u>	<u>2020</u>	Increase (Decrease)	Percentage Change
Operating Revenue	\$ 4,361,549	\$ 3,795,867	\$ 565,682	14.9%
Operating Expenses	<u>7,500,817</u>	<u>7,125,369</u>	<u>375,448</u>	5.3%
Operating (income/loss)	(3,139,268)	(3,329,502)	190,234	5.7%
Non-operating Revenue (Expenses)	2,361,441	2,891,095	(529,654)	-18.3%
Capital Contributions	<u>1,503,414</u>	<u>3,320,119</u>	<u>1,816,705</u>	-54.7%
Changes in net position	725,587	2,881,712	(2,156,125)	-74.8%
Beginning net position	<u>57,868,757</u>	<u>54,987,045</u>	<u>2,881,712</u>	5.2%
Ending net position	<u>\$58,594,344</u>	<u>\$57,868,757</u>	<u>\$ 725,587</u>	1.3%

Operating revenue increased 14.9% from the prior fiscal year. The operating revenue item with the largest increase was Auto parking revenue with a 38% increase from the prior fiscal year. All other sources of operating revenue increased from the prior fiscal year except for Airlines and Other operating revenue.

Operating expenses increased by 5.3% over the prior fiscal year. There was a 15.7% increase in Supplies; a 30.1% increase in Repairs and maintenance and a 112.9% increase in Other operating expense from 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, 2021. 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	\$2,871,665	\$4,361,549	\$1,489,884
Total Operating Expenses	<u>3,720,737</u>	<u>3,932,547</u>	<u>211,810</u>
Operating Income (loss)	<u>\$ (849,072)</u>	<u>\$ 429,002</u>	<u>\$ 1,278,074</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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021 and 2020

3. Capital asset purchases are budgeted as an expense but are reported as an asset 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.

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, 2021, net capital assets totaled \$49,563,030. The Authority acquired or constructed \$1.6 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 consist of accrued compensated absences. 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, 2021, was \$122,341. Currently, the Authority has no 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, 2021 and 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$ 8,370,054	\$ 3,584,325
Operating accounts receivable	440,812	344,694
Due from other governments	552,381	3,383,740
Interest receivable	300	1,439
Prepaid expenses	4,725	4,597
Restricted cash and cash equivalents:		
BLM	5,500	5,500
Total Current Assets	<u>9,373,772</u>	<u>7,324,295</u>
Noncurrent Assets:		
Land	6,712,067	6,712,067
Construction in progress	5,730,682	4,224,510
Airfield, buildings, equipment, improvements, plans and studies	71,343,413	71,274,956
	<u>83,786,162</u>	<u>82,211,533</u>
Accumulated depreciation	(34,223,132)	(30,650,523)
Total Noncurrent Assets	<u>49,563,030</u>	<u>51,561,010</u>
 Total Assets	 <u>58,936,802</u>	 <u>58,885,305</u>
LIABILITIES		
Current Liabilities:		
Trade accounts payable	201,253	155,051
Payable City of Hailey	3,773	5,157
Accounts payable for capital improvements	1,748	686,362
Accrued payroll and benefits	12,143	5,201
Customer deposits	1,200	1,700
Current portion of long-term liabilities	99,557	152,975
Total Current Liabilities	<u>319,674</u>	<u>1,006,446</u>
Long-Term Liabilities:		
Accrued compensated absences	122,341	163,077
Current portion of long-term liabilities	(99,557)	(152,975)
Total Long-Term Liabilities	<u>22,784</u>	<u>10,102</u>
Total Liabilities	<u>342,458</u>	<u>1,016,548</u>
NET POSITION		
Net investment in capital assets	49,563,030	51,561,010
Restricted	5,500	5,500
Unrestricted	9,025,814	6,302,247
Total Net Position	<u>\$ 58,594,344</u>	<u>\$ 57,868,757</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

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

For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue:		
Airlines	\$ 435,139	\$ 525,949
Automobile rental	799,547	591,692
Auto parking	407,517	295,361
Rents, fees, commissions and leases	2,271,909	2,014,493
Fuel flowage fees	430,541	315,021
Other operating revenue	16,896	53,351
Total Operating Revenue	<u>4,361,549</u>	<u>3,795,867</u>
Operating Expenses:		
Employee wages, benefits and taxes	1,633,382	1,724,899
Supplies	189,630	163,828
Utilities	143,079	149,289
Services and contracts	872,901	796,353
Repairs and maintenance	471,057	362,009
Insurance	53,124	53,257
Other operating expense	528,639	248,289
Depreciation	3,609,005	3,627,445
Total Operating Expenses	<u>7,500,817</u>	<u>7,125,369</u>
Operating Income (Loss)	<u>(3,139,268)</u>	<u>(3,329,502)</u>
Nonoperating Revenue (Expenses):		
Passenger Facility Charges	301,066	236,652
Interest income	11,719	32,930
Interest expense	-	(2,904)
Gain (loss) on disposition of assets	48,656	-
CARES Act revenue	2,000,000	2,624,417
Total Nonoperating Revenue (Expenses)	<u>2,361,441</u>	<u>2,891,095</u>
Income (Loss) before Capital Contributions	<u>(777,827)</u>	<u>(438,407)</u>
Capital Contributions	<u>1,503,414</u>	<u>3,320,119</u>
Change in Net Position	725,587	2,881,712
Net Position, Beginning of Year	<u>57,868,757</u>	<u>54,987,045</u>
Net Position, End of Year	<u><u>\$ 58,594,344</u></u>	<u><u>\$ 57,868,757</u></u>

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**STATEMENTS OF CASH FLOWS
ENTERPRISE FUND**

For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 4,264,760	\$ 3,832,620
Cash payments to employees for services and benefits	(1,667,176)	(1,861,359)
Cash payments to suppliers for goods and services	(2,213,740)	(1,810,267)
Net cash provided (used) by operating activities	<u>383,844</u>	<u>160,994</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital financing	<u>4,475,252</u>	<u>149,165</u>
Net cash provided (used) by noncapital financing activities	<u>4,475,252</u>	<u>149,165</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of capital assets	51,008	-
Acquisition and construction of capital assets	(2,297,991)	(3,143,813)
Payments on long-term debt	-	(71,508)
Interest payments on long-term debt	-	(2,904)
Grants and other amounts received for the purchase of capital assets	1,859,692	3,246,639
Passenger Facility Charges received for the purchase of capital assets	301,066	236,652
Net cash provided (used) by capital and related financing activities	<u>(86,225)</u>	<u>265,066</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	<u>12,858</u>	<u>34,127</u>
Net cash provided (used) by investing activities	<u>12,858</u>	<u>34,127</u>
Net increase (decrease) in cash and cash equivalents	4,785,729	609,352
Balances - beginning of the year	3,589,825	2,980,473
Balances - end of the year	<u><u>\$ 8,375,554</u></u>	<u><u>\$ 3,589,825</u></u>
RECONCILIATION OF CASH BALANCES TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	\$ 8,370,054	\$ 3,584,325
Restricted cash and cash equivalents:		
BLM	5,500	5,500
Total cash balances on Statements of Net Position	<u><u>\$ 8,375,554</u></u>	<u><u>\$ 3,589,825</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	<u>\$ (3,139,268)</u>	<u>\$ (3,329,502)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,609,005	3,627,445
Change in assets and liabilities:		
(Increase) decrease in operating accounts receivable	(96,289)	36,753
(Increase) decrease in prepaid expenses	(128)	326
Increase (decrease) in accounts payable trade	44,818	(37,568)
Increase (decrease) in accrued payroll and benefits	6,942	1,161
Increase (decrease) in customer deposits	(500)	-
Increase (decrease) in accrued compensated absences	(40,736)	(137,621)
Total Adjustment and Changes	<u>3,523,112</u>	<u>3,490,496</u>
Net cash provided (used) by operating activities	<u><u>\$ 383,844</u></u>	<u><u>\$ 160,994</u></u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020

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 (GASB), 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 Years Ended September 30, 2021 and 2020

Components of Net Position

GASB establishes standards for external financial reporting for state and local governments and components thereof. The Authority's net position is classified into three categories according to external restrictions or availability of assets for satisfaction of the Authority's obligations. The Authority's net position is classified as follows:

- *Net Investment in Capital Assets* – This represents the Authority's total investment in capital assets, net of outstanding obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted* - This represents resources which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- *Unrestricted* – This represents resources derived from operations that may be used at the discretion of the board of directors for any purpose.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

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.

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.

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

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020

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.

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.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this statement are effective on various dates, but no later than reporting periods beginning after June 15, 2021. The Authority does not believe this pronouncement will have a significant impact on their financial statements but are still making a full evaluation.

Note 2. Deposits and Investments

The following is a reconciliation of the Authority's deposit and investment balances as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ -	\$ 200
Bank deposits	119,342	16,101
Repurchase agreement	5,227,142	553,611
State of Idaho Local Government Investment Pool	<u>3,029,070</u>	<u>3,019,913</u>
	<u>\$ 8,375,554</u>	<u>\$ 3,589,825</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.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Years Ended September 30, 2021 and 2020

Credit Risk

The Authority has no formal policy on managing credit risk. As of September 30, 2021 and 2020, the Authority's deposits and investment had the following credit ratings:

<u>Investment</u>	2021 <u>Fair Value</u>	2020 <u>Fair Value</u>	<u>Credit Rating</u>
Mountain West Checking	\$ 113,098	\$ 9,928	None
Mountain West Certificate of Deposit	6,244	6,173	None
Mountain West Repurchase Agreement	5,227,142	553,611	None
State of Idaho Local Government Investment Pool	3,029,070	3,019,913	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.

As of September 30, 2021, the carrying amount of the Authority's bank deposits was \$5,346,484 and the respective bank balances totaled \$5,370,965. The Authority's deposits at September 30, 2021, were covered by \$138,728 of insurance from the Federal Depository Insurance Corporation and \$5,232,237 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, 2020, the carrying amount of the Authority's bank deposits was \$569,712 and the respective bank balances totaled \$628,162. The Authority's deposits at September 30, 2020, were covered by \$38,520 of insurance from the Federal Depository Insurance Corporation and \$589,642 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.

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, 2021 and 2020, the Authority had more than 5% of its deposits and investments invested in a repurchase agreement with Mountain West Bank. At September 30, 2021, 100% of the repurchase agreement was invested in a JP Morgan Chase bond. At September 30, 2020, 100% of the repurchase agreement was invested in a Delano California Union Elementary School District Refunding Series A municipal bond.

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, 2021 and 2020:

<u>Investment</u>	2021 <u>Fair Value</u>	Weighted Average <u>Duration</u>	2020 <u>Fair Value</u>	Weighted Average <u>Duration</u>
Repurchase agreement	\$ 5,227,142	1 day	\$ 553,611	1 day
Investment pool	3,029,070	133 days	3,019,913	158 days
Certificate of Deposit	6,244	16 days	6,173	1 yrs 16 days
Demand deposits	113,098	not applicable	9,928	not applicable

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020

Note 3. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance 9/30/2020	Increase	Decrease	Transfer	Balance 9/30/2021
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$ -	\$ -	\$ -	\$ 6,712,067
Construction in progress*	4,224,510	1,596,615	-	(90,443)	5,730,682
Depreciable capital assets:					
Buildings and improvements	5,715,166	-	-	-	5,715,166
Airfield and general improvements	54,196,872	10,148	-	90,443	54,297,463
Office equipment	69,369	-	-	-	69,369
Security	167,703	-	-	-	167,703
Maintenance equipment & vehicles	3,959,462	6,614	(38,748)	-	3,927,328
Assessments, plans & studies	7,166,384	-	-	-	7,166,384
	82,211,533	1,613,377	(38,748)	-	83,786,162
Accumulated depreciation	(30,650,523)	(3,609,005)	36,396	-	(34,223,132)
	<u>\$ 51,561,010</u>	<u>\$ (1,995,628)</u>	<u>\$ (2,352)</u>	<u>\$ -</u>	<u>\$ 49,563,030</u>

*Construction in progress includes amounts for seven airport improvement projects, as listed in Note 13, that were not completed as of September 30, 2021. The largest of these projects totals \$2,457,025.

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance 9/30/2019	Increase	Decrease	Transfer	Balance 9/30/2020
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$ -	\$ -	\$ -	\$ 6,712,067
Construction in progress*	704,532	3,519,978	-	-	4,224,510
Depreciable capital assets:					
Buildings and improvements	5,715,166	-	-	-	5,715,166
Airfield and general improvements	53,992,819	204,053	-	-	54,196,872
Office equipment	69,369	-	-	-	69,369
Security	158,623	9,080	-	-	167,703
Maintenance equipment & vehicles	3,910,166	49,296	-	-	3,959,462
Assessments, plans & studies	7,166,384	-	-	-	7,166,384
	78,429,126	3,782,407	-	-	82,211,533
Accumulated depreciation	(27,023,078)	(3,627,445)	-	-	(30,650,523)
	<u>\$ 51,406,048</u>	<u>\$ 154,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,561,010</u>

*Construction in progress includes amounts for six various airport improvement projects that were not completed as of September 30, 2020. The largest of these projects totals \$2,457,025.

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, 2021 and 2020, are as follows:

	2021	2020
Current	\$ 340,740	\$ 327,334
30-60 days	30	3,061
60-90 days	67,026	16,835
90 days and over	33,016	(2,536)
	<u>\$ 440,812</u>	<u>\$ 344,694</u>
Due from other governments	<u>\$ 552,381</u>	<u>\$ 3,383,740</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020**

Note 5. Long-term Liabilities

Changes in long-term obligations for the year ended September 30, 2021, are as follows:

	Balance at 10/01/2020	Additions	Reductions	Balance 9/30/2021	Amount due within 1 year
Compensated absences	\$ 163,077	\$ -	\$ 40,736	\$ 122,341	\$ 99,557

Changes in long-term obligations for the year ended September 30, 2020, are as follows:

	Balance at 10/01/2019	Additions	Reductions	Balance 9/30/2020	Amount due within 1 year
Loan payable	\$ 71,508	\$ -	\$ 71,508	\$ -	\$ -
Compensated absences	300,698	-	137,621	163,077	152,975
	\$ 372,206	\$ -	\$ 209,129	\$ 163,077	\$ 152,975

Loan payable: Under an agreement dated March 1, 2018, the Authority agreed to pay \$143,760 for parking equipment. The agreement called for thirty-six monthly payments of \$4,422 which began April 1, 2018. The agreement carried an interest rate of 6.5% per annum and was secured by the parking equipment. The loan was paid off during the year ended September 30, 2020.

Compensated Absences: All employees receive 120 hours of sick leave per year up to a maximum accrual of 720 hours. Vacation is received based on years of service up to a maximum accrual of 360 hours. Those with up to two years of service receive 80 hours of vacation annually and the hours received increase 10 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, 2021 and 2020, respectively, were \$122,341 and \$163,077.

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 \$147,829 and \$149,833 for the years ended September 30, 2021 and 2020, 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, 2021 and 2020, respectively.

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 \$118,193 and \$146,374 for the years ended September 30, 2021 and 2020.

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 Years Ended September 30, 2021 and 2020

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:

<u>Year Ended</u> <u>September 30</u>	
2022	\$ 876,424
2023	847,491
2024	843,607
2025	843,607
2026	809,969
2027 to 2031	2,929,180
2032 to 2036	1,228,505
2037 to 2038	90,805
Total	<u>\$ 8,469,588</u>

Note 10. Operating Leases

Total operating lease expenditures for the years ended September 30, 2021 and 2020, were \$88,705 and \$88,930, 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:

<u>Year Ending</u> <u>September 30,</u>	<u>Total</u>
2022	\$ 1,171
2023	292
	<u>\$ 1,463</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, 2021 and 2020.

The following schedule shows the amounts collected and expended:

	<u>2021</u>		<u>2020</u>
	<u>Receipts</u>	<u>Expenditures</u>	<u>Receipts</u> <u>Expenditures</u>
PFC 14-09-C-00-SUN/			
PFC 15-10-U-00-SUN	\$ 301,033	\$ 262,999	\$ 236,629 \$ 271,053

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020

Note 12. Capital Contributions

During the years ended September 30, 2021 and 2020, the Authority received the following capital contributions:

	<u>2021</u>	<u>2020</u>
Federal grants	\$ 1,503,414	\$ 3,305,119
Other sources	<u>-</u>	<u>15,000</u>
	<u>\$ 1,503,414</u>	<u>\$ 3,320,119</u>

Note 13. Commitments

The Authority had seven open grants from the U.S. Department of Transportation Airport Improvement Program (AIP) as of September 30, 2021. A summary of these projects is as follows:

Project Description

AIP 47	Remove Obstructions; Acquire Aircraft Rescue
AIP 48	Acquire Land for Approaches
AIP 49	Acquire SRE, seal/crack repair existing pavement apron and taxiway
AIP 50	Conduct Miscellaneous Study (Terminal Area Narrative Plan)
AIP 51	Conduct Environmental Study
AIP 53	Rehabilitate Runway 13/31 Phase I; Rehabilitate Apron; Seal Taxiway & Pavement; Install Perimeter Fencing
AIP 56	Rehabilitate Runway 13/31 Phase II

	<u>Total Budget</u>	<u>Federal Awards</u>	<u>Expenditures to date</u>
AIP 47	\$ 1,355,889	\$ 1,271,146	\$ 1,355,803
AIP 48	2,490,667	2,335,000	2,452,724
AIP 49	1,005,481	1,005,481	906,897
AIP 50	297,367	297,367	233,512
AIP 51	212,101	212,101	212,101
AIP 53	1,470,987	1,470,987	74,139
AIP 56	<u>2,379,943</u>	<u>2,379,943</u>	<u>361,974</u>
	<u>\$ 9,212,435</u>	<u>\$ 8,972,025</u>	<u>\$ 5,597,150</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.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2021 and 2020

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>2021</u>	<u>2020</u>
Security services	\$ -	\$ 6,064
Utilities for FMAA	27,537	29,988
Capital outlay	-	75

The amount due to the City of Hailey at September 30, 2021, is \$3,773 and was paid within 60 days. The amount due to the City of Hailey at September 30, 2020, is \$5,157 and was paid within 60 days.

Note 16. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. These measures included international travel restrictions and, in some states, orders to stay home. As a result, domestic travel across the United States has significantly declined. The pandemic and the resulting restrictions have caused disruption in aviation activity and passenger traffic at Friedman Memorial Airport Authority and at airports around the world.

On March 25, 2020, Congress and the White House agreed to a COVID-19 assistance package, which includes \$10 billion from the federal General Fund to remain available until expended for airports to prevent, prepare for, and respond to coronavirus. Through the assistance package, which was signed into law as the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Authority received a grant award of \$11,400,000, of which \$4,624,417 of the funding was used as of September 30, 2021.

The Authority cannot predict the duration of COVID-19, the duration or expansion of travel restrictions and warnings, whether additional countries or destinations, will be added to the travel restrictions or warnings, what effect such travel restrictions and warnings may have on air travel to and from the Airport, and whether and to what extent COVID-19 may disrupt global supply chains and manufacturing operations around the world. No impairments were recorded as of the statement of net position date, as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Authority's results of operations, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

DISCUSSION
DRAFT

SUPPLEMENTARY INFORMATION

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
For the Year Ended September 30, 2021**

	<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	\$ 468,000	\$ 468,000	\$ 435,139	\$ (32,861)
Automobile rental	420,500	420,500	799,547	379,047
Auto parking	266,000	266,000	407,517	141,517
Rents, fees, commissions and leases	1,530,665	1,530,665	2,271,909	741,244
Fuel flowage fees	181,500	181,500	430,541	249,041
Other operating revenue	5,000	5,000	16,896	11,896
Total Operating Revenue	<u>2,871,665</u>	<u>2,871,665</u>	<u>4,361,549</u>	<u>1,489,884</u>
Operating Expenses:				
Employee wages, benefits and taxes	1,754,402	1,754,402	1,674,117	(80,285)
Supplies	199,100	199,100	189,630	(9,470)
Utilities	160,750	160,750	143,079	(17,671)
Services and contracts	683,627	683,627	872,901	189,274
Repairs and maintenance	555,050	555,050	471,057	(83,993)
Insurance	55,920	55,920	53,124	(2,796)
Other operating expense	311,888	311,888	528,639	216,751
Total Operating Expenses	<u>3,720,737</u>	<u>3,720,737</u>	<u>3,932,547</u>	<u>211,810</u>
Operating Income	<u>(849,072)</u>	<u>(849,072)</u>	<u>429,002</u>	<u>1,278,074</u>
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	316,500	316,500	301,066	(15,434)
Interest income	20,000	20,000	11,719	(8,281)
Gain (loss) on disposition of assets	-	-	48,656	48,656
Federal grants	-	-	2,000,000	2,000,000
Total Nonoperating Revenue and (Expenses)	<u>336,500</u>	<u>336,500</u>	<u>2,361,441</u>	<u>2,024,941</u>
Capital Contributions	<u>809,688</u>	<u>809,688</u>	<u>1,503,414</u>	<u>693,726</u>
Capital Expenditures	<u>(3,271,200)</u>	<u>(3,271,200)</u>	<u>(1,613,378)</u>	<u>1,657,822</u>
Change in Net Position	<u>\$ (2,974,084)</u>	<u>\$ (2,974,084)</u>	<u>\$ 2,680,479</u>	<u>\$ 5,654,563</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**RECONCILIATION OF BUDGETARY BASIS TO GAAP
For the Year Ended September 30, 2021**

	Actual Budgetary Basis	GAAP Basis	Difference	Number of Explanation
Operating Revenue:				
Airlines	\$ 435,139	\$ 435,139	\$ -	
Automobile rental	799,547	799,547	-	
Auto parking	407,517	407,517	-	
Rents, fees, commissions and leases	2,271,909	2,271,909	-	
Fuel flowage fees	430,541	430,541	-	
Other operating revenue	16,896	16,896	-	
Total Operating Revenue	<u>4,361,549</u>	<u>4,361,549</u>	<u>-</u>	
Operating Expenses:				
Employee wages, benefits and taxes	1,674,117	1,633,382	(40,735)	1
Supplies	189,630	189,630	-	
Utilities	143,079	143,079	-	
Services and contracts	872,901	872,901	-	
Repairs and maintenance	471,057	471,057	-	
Insurance	53,124	53,124	-	
Other operating expense	528,639	528,639	-	
Depreciation	-	3,609,005	3,609,005	2
Total Operating Expenses	<u>3,932,547</u>	<u>7,500,817</u>	<u>3,568,270</u>	
Operating Income	<u>429,002</u>	<u>(3,139,268)</u>	<u>(3,568,270)</u>	
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	301,066	301,066	-	
Interest income	11,719	11,719	-	
Gain (loss) on disposition of assets	48,656	48,656	-	
Federal grants	2,000,000	2,000,000	-	
Total Nonoperating Revenue and (Expenses)	<u>2,361,441</u>	<u>2,361,441</u>	<u>-</u>	
Capital Contributions	<u>1,503,414</u>	<u>1,503,414</u>	<u>-</u>	
Capital Expenditures	<u>(1,613,378)</u>	<u>-</u>	<u>1,613,378</u>	3
Change in Net Position	<u>\$ 2,680,479</u>	<u>\$ 725,587</u>	<u>\$ (1,954,892)</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.

DISCUSSION
DRAFT

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, 2021, 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 4, 2022.

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 4, 2022

DISCUSSION
DRAFT

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 the Authority's major federal program for the year ended September 30, 2021. 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 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 its major federal program for the year ended September 30, 2021.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for the 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 4, 2022

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended September 30, 2021

Federal Grantor Program Title:	Federal CFDA Number	Total Federal Expenditures
<u>Department of Transportation Programs</u>		
Airport Improvement Program	20.106	\$ 1,503,415
COVID-19 Airports Programs	20.106	<u>2,000,000</u>
<i>Total Department of Transportation Programs</i>		<u>3,503,415</u>
Total Expenditures of Federal Awards		<u>\$ 3,503,415</u>

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

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, 2021. 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.

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to the financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ 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 ☒ 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 ☐ no

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021**

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).

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2020**

There were no prior audit findings

DISCUSSION
DRAFT

Financial Statements

Friedman Memorial Airport Authority
Passenger Facility Charge Program Financial Report
September 30, 2021



**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, 2021, 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 4, 2022.

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 4, 2022

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 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, 2021.

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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements. We issued our report thereon dated January 4, 2022 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.

Meridian, Idaho
January 4, 2022

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
Year Ended September 30, 2021 and Each Quarter During the Year Ended September 30, 2021
With Cumulative Totals as of September 30, 2021

	September 30, 2020 <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, 2021 Total	September 30, 2021 <u>Program Total</u>
Revenue:							
Collections	\$ 1,891,923	\$ 37,948	\$ 59,164	\$ 84,377	\$ 119,544	\$ 301,033	\$ 2,192,956
Rollover from prior PFC	84,403	-	-	-	-	-	84,403
Interest	976	3	8	6	15	32	1,008
Total Revenue	1,977,302	37,951	59,172	84,383	119,559	301,065	2,278,367
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	189,818	-	-	-	-	-	189,818
008 Relocate Taxiway A & Obliterate Taxiway B	309,704	-	-	-	-	-	309,704
009 Relocate Power to PAPI	5,196	-	-	-	-	-	5,196
010 Relocate AWOS	958	-	-	-	-	-	958
011 Relocate SRE/ARFF Building	164,176	-	-	-	-	-	164,176
012 Relocate Terminal Apron	60,532	-	14,397	-	-	14,397	74,929
013 Relocate Cargo Apron	-	-	47,934	-	-	47,934	47,934
014 Relocate Hangars	-	-	34,668	57,000	53,027	144,695	144,695
015 Rehabilitate Terminal Building	-	-	-	-	55,973	55,973	55,973
019 PFC Administration	16,920	-	-	-	-	-	16,920
Total Disbursements	1,976,011	-	96,999	57,000	109,000	262,999	2,239,010
Net PFC Revenue	\$ 1,291	\$ 37,951	\$ (37,827)	\$ 27,383	\$ 10,559	\$ 38,066	\$ 39,357
PFC Account Balance	\$ 1,291	\$ 39,242	\$ 1,415	\$ 28,798	\$ 39,357	\$ 39,357	\$ 39,357

See accompanying notes to Schedule of Expenditures of Passenger Facility Charges

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
For the Year Ended September 30, 2021**

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, 2021

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2021.

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
PASSENGER FACILITY CHARGES SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2021

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2020.

DISCUSSION
DRAFT

FRIEDMAN MEMORIAL AIRPORT MINIMUM STANDARDS FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS

Adopted _____, 2021

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FORWARD.

The Friedman Memorial Airport Authority (Authority), acting by virtue of the powers granted to it through a Joint Powers Agreement between Blaine County, Idaho, and the City of Hailey, Idaho, as provided under Idaho Code 67-2328, as amended, and amendments thereto, hereby establishes these Minimum Standards for Commercial Aeronautical Service Providers (Minimum Standards) for Friedman Memorial Airport (Airport). These Minimum Standards shall be incorporated into all Operator Agreements.

The Authority reserves the right to amend these Minimum Standards as may be necessary or desirable to improve the quality of services at the Airport, to enhance competition, when deemed to be in the Authority's best interest or the public's best interest, or, when necessary, to comply with Federal Aviation Administration (FAA), Transportation Security Administration, or other governmental regulations.

If any section, subsection, sentence, clause, or phrase of these policies and procedures is, for any reason, held to be invalid or unconstitutional by the FAA or any court of competent jurisdiction, then such decision shall neither affect nor impair any of the remaining provisions.

The Airport Director is authorized to act for the Authority in connection with the enforcement of all policies and procedures contained herein.

SECTION 1. ACRONYMS

Below is a list of common acronyms used throughout this Minimum Standards document.

AC	Advisory Circular
ADG	Airplane Design Group
ALP	Airport Layout Plan
AOA	Aircraft Operation Area
CFR	Code of Federal Regulations
CHRC	Criminal History Records Check
FAA	Federal Aviation Administration
FBO	Fixed Base Operator
FMAA	Friedman Memorial Airport Authority
LLC	Limited Liability Company
NPIAS	National Plan of Integrated Airport Systems
SASO	Specialized Aviation Service Operator
SIDA	Security Identification Display Area
SPCC	Spill Prevention Countermeasures and Control
STA	Security Threat Assessment
TSA	Transportation Security Administration
U.S.C.	United States Code
VIP	Very Important Person

SECTION 2. GENERAL STATEMENT OF POLICY

- A.** The Friedman Memorial Airport Authority (Authority), as the operator of Friedman Memorial Airport (Airport), in order to encourage and ensure the provision of adequate aeronautical services and activities at and from the Airport, the economic health of the Airport, and the orderly redevelopment and further development of aeronautical and related support facilities at the Airport, has established these Minimum Standards for Commercial Aeronautical Service Providers (Minimum Standards). Notwithstanding the provisions herein, each Operator providing commercial aeronautical services to the public at the Airport shall conduct its business and activities on and from the Premises in a safe and professional manner consistent with all Federal Aviation Administration (FAA) standards and applicable federal, state, and local laws and regulations.
- B.** It is the intent and policy of the Authority to operate and develop the Airport as a public-use aviation facility serving a wide range of aeronautical uses, consistent with its role as established in the National Plan of Integrated Airport Systems (NPIAS). The Airport is publicly owned and operated and is the recipient of federal grant funds under the Airport Improvement Program. As a grant recipient, the Authority is subject to certain federal grant assurances and sponsor obligations that impose a wide range of operational obligations. Among those most relevant for the Minimum Standards, the federal grant assurances require the Authority to operate the Airport in a financially self-sufficient manner as possible and provide Entities the opportunity to engage in commercial aeronautical activities at the Airport that satisfy a demonstrable need that meet the Minimum Standards as established by the Authority. Those grant assurances also require that the Authority treat aeronautical users without unjust discrimination, and these Minimum Standards are designed to ensure non-discriminatory treatment of commercial Entities. The Authority has established these Minimum Standards with the intent of providing fair and reasonable rules to govern the conduct of Commercial Aeronautical Activity.
- C.** It is the policy of the Authority that any Entity wishing to provide a Commercial Aeronautical Activity(ies), as defined herein, shall be given a not unjustly discriminatory opportunity to compete for the use of available Airport facilities.

- D. These Minimum Standards establish the threshold operational and facility requirements for those Operators wishing to engage in commercial aeronautical activities at the Airport; they were developed in accordance with industry standards, including FAA Advisory Circular (AC) 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities*, dated August 28, 2006.
- E. Commercial aeronautical activities not addressed in the Minimum Standards will be addressed by the Authority on a case-by-case basis in an appropriate Agreement.
- F. Subject to applicable orders, certificates, or permits of the FAA or its successor, no Entity shall use Airport property for a Commercial Aeronautical Activity unless such Entity has first complied with these Minimum Standards and entered into an Agreement with the Authority.
- G. The Authority may, in its reasonable discretion, waive all or any portion of these Minimum Standards set forth herein for the benefit of any government or governmental agency performing public services to the aviation industry, responding to natural disasters, or performing fire prevention or firefighting operations. The Authority may also waive any of these Minimum Standards for non-governmental Entities when it deems such waiver to be in the best interest of the Authority and the public, so long as such waiver will not result in unjust discrimination against similarly situated Entities.
- H. It is the intent of the Authority to enforce these Minimum Standards in a consistent, uniform, and fair manner to accomplish its goals and promote successful commercial business operations at the Airport.
- I. All existing Operators shall become subject to the then-current Minimum Standards upon the modification, amendment, extension, or renewal of an existing Agreement.
- J. The establishment of these Minimum Standards does not alter the Authority's proprietary exclusive right to engage in the delivery of aeronautical services/activities as it may deem at its reasonable discretion to be prudent and appropriate.
- K. Wherever in these Minimum Standards the approval of the Authority is required, it is assumed (unless stated explicitly otherwise) that such approval may be given by the Airport Director.

SECTION 3. DEFINITIONS

For the purposes of these Minimum Standards, the following definitions shall apply:

- A. Aeronautical Activity or Service** means any activity or service conducted on the Airport that involves, makes possible, or is required for the operation of aircraft, or that contributes to or is required for the safety of aircraft operations. The following services/activities commonly conducted on airports are aeronautical activities within this definition: aircraft charter, pilot training, aircraft rental, sightseeing flights, aerial photography, crop dusting, aerial advertising, air ambulance services, surveying, aircraft sales and transactional services, sale of Aircraft Fuel, repair and maintenance of aircraft, sale of aircraft parts, and any other activities that, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an aeronautical activity.
- B. Agreement** means a written contract, executed by the Authority and an Operator, and enforceable by law, specifying the terms and conditions under which the Operator may conduct a Commercial Aeronautical Activity(ies) on the Airport. Such Agreements generally will recite the terms and conditions under which the Commercial Aeronautical Activity(ies) will be conducted on the Airport, including the Term of the agreement; rents, fees, and charges to be paid by the Operator; and the rights and obligations of the respective parties. The following terms may be substituted for “Agreement” as used in these Minimum Standards: Airport Business Permit or lease.
- C. Aircraft** means a device that is used or intended to be used for flight in air. Examples of aircraft include airplane, sailplane, glider, rotorcraft (helicopter, gyrocopter, or auto gyro), unmanned aerial vehicle, advanced air mobility vehicle, balloon, and blimp.
- D. Aircraft Fuel** means all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating an internal combustion, jet, or turbine engine in an aircraft.
- E. Aircraft Fueling Vehicle** means any vehicle used for the transportation, delivery, and dispensing of Aircraft Fuel.
- F. Aircraft Movement Area** means the Airport’s runway and taxiways used for taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas.

- G. Airplane Design Group (ADG)** means an FAA-designated grouping of aircraft based upon wingspan and tail height. The groups are as follows:
- a. Group I: up to but not including 49 feet
 - b. Group II: 49 feet up to but not including 79 feet
 - c. Group III: 79 feet up to but not including 118 feet
- H. Airport Layout Plan (ALP)** means the scaled drawing depicting the existing physical layout for the Airport and the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, and allocation of Airport land or improvements to specific uses or development. The ALP shall be amended as needed by the Authority to reflect changes in development and infrastructure for the Airport. The ALP is effective upon submission to the FAA.
- I. Aircraft Operations Area (AOA)** means a portion of an airport, specified in an Airport Security Plan, in which security measures specified in Title 49 Code of Federal Regulations (CFR) are carried out. This area includes the Aircraft Movement Areas, aircraft parking aprons, loading ramps, and safety areas for use by aircraft regulated under 49 CFR Parts 1542, 1544, and 1546, as well as any adjacent areas (such as general aviation areas) that are not separated by adequate security systems, measures, or procedures. Except for passengers enplaning or deplaning aircraft, the public is prohibited from the AOA, unless escorted as required by applicable Authority rules.
- J. Airport** means Friedman Memorial Airport located in Hailey, Idaho, including all real property easements or any other interest therein, as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned, leased, or operated by the Authority.
- K. Airport Director** means the Authority's appointed Airport Director, or such other person designated by the Airport Director, to exercise functions with respect to the rights and obligations of the Authority under these Minimum Standards.
- L. Airport Security Plan** means the Transportation Security Administration (TSA)–approved document, including any amendments or revisions thereto, that governs Airport security.

- M. Authority** means the Friedman Memorial Airport Authority, an administrative entity formed by Blaine County, Idaho, and the City of Hailey, Idaho, and governed pursuant to Section 67-2328 of Idaho Code.
- N. Authority Board** means the seven-member governing body of the Authority, appointed by Blaine County, Idaho, and the City of Hailey, Idaho, responsible for the adoption of policies, rules, and regulations governing the use of the Airport by tenants, Operators, and the public pursuant to the Joint Powers Agreement.
- O. Authority Parties** shall mean the Authority, Blaine County, Idaho, the City of Hailey, Idaho, and their respective Board of Directors, Commissioners, Council persons, Officers, agents, employees, and contractors, and the term “Authority Party” shall be construed accordingly.
- P. Commercial Aeronautical Activity** means any ongoing activity conducted at, on, from, or in conjunction with the Airport intended to result in monetary gain to the Entity conducting such activity, as defined in these Minimum Standards. A Commercial Aeronautical Activity also includes any third-party Specialized Aviation Service Operator (SASO) or contract employee of a fixed base operator (FBO) engaged in the performance of a Commercial Aeronautical Activity for compensation or hire at the Airport who is not an employee of an FBO or a SASO. For purposes of this definition, commercial purposes refers to the conduct of any aspect of a business, concession, operation, or agency providing goods or services to any Entity for compensation or hire, including exchange of services, whether or not such objectives are accomplished. An activity is considered a Commercial Aeronautical Activity regardless of whether the business is nonprofit, charitable, or tax-exempt.
- Q. Entity (or Entities)** means a person; firm; partnership; limited liability company (LLC); or corporation; proprietorship, association, or group; and includes any authorized trustee, receiver, assignee, or other similar representative of the previously noted business organizations.
- R. Environmental Laws** means all applicable local, state, and federal laws, statutes, ordinances, rules, regulations, and orders concerning or relating to public health and safety, worker/occupational health and safety, and pollution or protection of the environment, including the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 United States Code (U.S.C.) §§9601, et seq.; the Hazardous Materials Transportation Act, as amended,

49 U.S.C. §§1801, et seq.; the Federal Water Pollution Control Act (Clean Water Act), as amended, 33 U.S.C. §§1251, et seq.; The Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§6901, et seq.; and the Toxic Substances Control Act, as amended, 15 U.S.C. §§2601, et seq.

- S. FAA** means the Federal Aviation Administration.
- T. Facility** means all Authority-approved buildings, related site improvements, and other improvements, financed and constructed by the Operator on the Airport, including, without limitation, structures, buildings, facilities, hangars, aircraft taxiways, aircraft taxiway markings, aircraft taxiway lighting, aircraft parking aprons and tiedowns, ramps, fencing, access control, lighting, automobile parking, and all utility infrastructure and connections, all as may be applicable and as may be required.
- U. FBO** means any Entity duly licensed and authorized by an Agreement with the Authority to operate, under compliance with such Agreement and pursuant to these Minimum Standards, to offer aeronautical services to the public at the Airport as set forth in SECTION 11 of these Minimum Standards.
- V. Fuel Storage Area** means any portion of the Airport designed temporarily or permanently by the Authority as an area in which Aircraft Fuel, motor vehicle fuel, or any other type of fuel or fuel additive may be stored.
- W. Fueling or Fuel Handling** means the transportation, sale, delivery, dispensing, storage, or draining of fuel or fuel waste products to or from fuel storage areas, aircraft, vehicles, or equipment.
- X. General Aviation** means all phases of aviation other than military aviation and scheduled or non-scheduled commercial air carrier operations.
- Y. Minimum Standards** means these Minimum Standards for providing aeronautical services to the public, as amended.
- Z. Operator** means either an FBO or a SASO, as applicable, or the Authority, when performing a Commercial Aeronautical Activity, unless the context clearly indicates another meaning.
- AA. Permitted Area** means an area of Airport Property designated by the Airport Director for use by an Operator to perform a Commercial Aeronautical Activity on the Airport. Permitted Areas may, or may

not, include leased Premises. The Permitted Area will include, (but may not be coextensive with, the Premises of the Operator in instances where the Operator leases land from the Authority.

BB. Person means any individual, corporation, partnership, association, company, business, trust, joint venture, or other legal entity.

CC. Personnel means persons who are employees, or contractors, of an Operator or who are contractually obligated to render services to the public on behalf of an Operator. Operators shall obtain approval from the Airport Director prior to using non-employee contractors to provide a Commercial Aeronautical Activity.

DD. Premises means the Permitted Area on the Airport granted to an Operator by the Airport Director where such Permitted Area consists of defined leased areas of land and associated Facilities.

EE. Rules and Regulations means the policies, procedures, and regulations promulgated by the Authority for use of the Airport.

FF. Shall for purposes of these Minimum Standards and as used herein, the word “shall” is always mandatory and not merely directory.

GG. Space means the volume of land and facilities measured in acres or square feet.

HH. SASO means any Entity that provides aircraft maintenance, aircraft charter services, aircraft flight instruction, aircraft rental, or any one or more of the commercial aeronautical activities listed in SECTION 12 of these Minimum Standards but does not meet the requirements to be an FBO.

II. Term means a period of time in which an Agreement is in force.

JJ. TSA means the Transportation Security Administration.

SECTION 4. EXCLUSIVE RIGHTS

A. The granting of an exclusive right to provide aeronautical services at the Airport is forbidden by federal law. An exclusive right is a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. The Authority will not grant any such special privilege or monopoly in the use of the Airport.

B. The presence on the Airport of only one Operator engaged in a particular Commercial Aeronautical Activity does not, standing alone, indicate that an exclusive right has been granted. In accordance with

the Grant Assurances, the Authority will not enter into or promote any understanding or commitment or express agreement to exclude other reasonably qualified Operators. Accordingly, those Entities who desire to enter into an Agreement with the Authority to engage in a Commercial Aeronautical Activity should neither expect nor request the Authority to exclude others who desire to engage in the same or similar activities. The opportunity to engage in a Commercial Aeronautical Activity shall be made available to those meeting these Minimum Standards relevant to such activity and as space may be available at the Airport for such an activity.

SECTION 5. GENERAL REQUIREMENTS

- A.** Each Operator shall meet or exceed the requirements of this section, as well as the standards applicable to the Operator's Commercial Aeronautical Activity on the Airport.
- B.** Each Operator shall demonstrate, to the satisfaction of the Authority, that it is capable of consistently providing the proposed Commercial Aeronautical Activity(ies) in a safe, secure, efficient, prompt, courteous, and professional manner for a fair and reasonable price. This includes, but is not necessarily limited to, demonstrating that the Operator's aviation/business background and experience are appropriate for the proposed Commercial Aeronautical Activity and that the Operator has the resources to realize its business objectives.
- C.** Each prospective Operator shall provide evidence, satisfactory to the Authority, of its financial responsibility. The prospective Operator shall also demonstrate financial capability to initiate operations, to construct proposed Facilities, and to provide working capital to carry on the contemplated business.
- D.** No Operator shall engage in any type of Commercial Aeronautical Activity without first obtaining an Agreement from the Authority authorizing such Commercial Aeronautical Activity in accordance with specifications established by these Minimum Standards. Agreements shall include all provisions required by law and obligations placed upon the Authority by all federal and state agencies and any other contracting provisions deemed necessary by the Authority.
- E.** Each Operator shall pay the Authority fair, reasonable, and not unjustly discriminatory rent, fees, and charges based upon the scope of the Commercial Aeronautical Activity being provided.

- F.** The Authority reserves the right to charge a reasonable fee for use of aircraft parking aprons by individual aircraft operators, FBOs or other Operators, which fees shall be paid promptly by the Operator.
- G.** Each Operator shall comply with applicable federal, state, and local laws and all rules, regulations, orders, certificates, or permits required by the FAA, TSA, Authority, and any other federal, state, or local agencies and successors having jurisdiction over the Airport and the activities at the Airport, as well as comply with Environmental Laws and local fire regulations, as may currently exist, be developed in the future, or be modified from time to time. Operators shall immediately report to the Airport Director all violations of applicable federal, state, and local laws, rules, regulations, orders, certificates, or permits whether caused by the Operator, or its Personnel, tenants, customers, guests, or agents. Operators shall further immediately notify the Airport Director of any unauthorized use of Airport property for non-aeronautical purposes by Personnel, tenants, customers, guests, or agents.
- H.** Each Operator shall conduct its business in a lawful and sanitary manner, including the timely handling and disposal of all solid waste, regulated waste, and other materials. The piling and storage of crates, boxes, barrels, containers, refuse, and surplus property is not permitted on the Airport.
- I.** Each Operator shall, at its sole expense, provide and maintain all equipment and Facilities and Permitted Areas and provide the required services and level of performance as set forth herein.
- J.** Each Operator shall, at its sole expense, be responsible for the prompt and thorough removal of snow and ice from its Premises to areas at the Airport designated by the Airport Director for the placement of snow and ice.
- K.** Each Operator shall furnish good, prompt, courteous, and efficient services adequate to meet all reasonable demands on a fair, reasonable, and nondiscriminatory basis to all users who wish to avail themselves of the Operator's services. Each Operator shall maintain and operate its business in a first-class manner and shall at all times keep its Premises in a safe, clean, and orderly condition, consistent with the business activity contemplated hereunder and the reasonable satisfaction of the Authority.
- L.** The Authority recognizes that the Airport is the gateway to the Wood River Valley and Blaine County for many visitors. For that reason, it is important that not only Authority staff but also all Operators

and their Personnel convey a welcoming and professional demeanor, and that Operators provide service to the public that is consistent with best practices of similarly situated, resort-environment airports elsewhere in the country. The Authority expects that each Operator will provide a standard of service that is at least as high as that which is typical and expected at similarly situated airports elsewhere in the country.

- M.** Each Operator shall follow all applicable security regulations and requirements established by the federal, state, and local governments and shall abide by all the applicable provisions of the Airport Security Plan. The Authority reserves the right to require that principal officers of an Operator, regardless of level of involvement in the actual operation of the business, and any Personnel, customer, contractor, or sublessee of the Operator submit to a Security Threat Assessment (STA) or criminal history records check (CHRC), including fingerprinting, at the expense of the Operator, dependent upon which area of the Airport direct, unescorted access is required. The Airport Director may exclude any Person from Airport property or suspend the authority of an Operator to conduct business at the Airport if the results of the STA or CHRC indicate to the Authority, in its reasonable discretion, that the Person poses a threat to the Airport, local community, state, or nation.
- N.** Each Operator shall obtain a Permitted Area (which may or may not include Premises) from the Authority for the services to be offered, as required by the Authority for the type of services to be offered.
- O.** Each Operator shall control its Premises (if applicable) so as to prevent unauthorized access to the AOA and/or SIDA. Each Operator must use the Authority's approved access control system and vendor to secure AOA access portals on the Operator's site. The cost of the access control system installation and maintenance of all equipment will be borne by the Operator. The Authority reserves the right to change vendors from time to time. The Operator will use the Authority- approved vendor for all installation and maintenance needs. The Operator may request to install an independent access control system, subject to Authority approval. Operator shall submit a construction security plan for all major construction activity occurring inside the AOA or affecting Airport security. The plan must be submitted in writing and approved by the Authority and TSA before beginning construction activity

- P.** No building, structure, tiedowns, aircraft parking aprons, paving, aircraft taxi areas, or other improvements or additions to the Airport shall be altered, removed, placed, or constructed on the Airport without the written prior approval of the Airport Director.
- Q.** Construction of any new Facility or redevelopment of an existing Facility by an Operator shall be subject to all federal, state, and local rules and regulations, including local fire code, zoning, and building regulations.
- R.** Each Operator shall provide a sufficient number of properly certificated, rated, and trained Personnel to carry out their assigned duties for each service provided. Multiple responsibilities may be assigned to Personnel to meet the requirements set forth herein. Where more than one Commercial Aeronautical Activity is being provided by an Operator, multiple uses can be made of aircraft, except aerial applicator (agricultural) aircraft and those aircraft designated as intended for a single use by FAA regulations.
- S.** Each Operator shall make its services available to the public in accordance with the operating schedule described herein for each Commercial Aeronautical Activity being provided.
- T.** Each Operator shall demonstrate to the Authority's satisfaction evidence of its ability to acquire and maintain insurance coverage in the type and amounts as set forth in Exhibit A for each particular type of Commercial Aeronautical Activity as follows:

 - a. Comprehensive general liability insurance covering the Operator (and naming the Authority as an additional insured) against all legal liability for injuries to persons (including wrongful death) and damages to Airport property caused by the Operator's use and occupancy of the Airport, or otherwise caused by the Operator's activities or operations, shall be in force prior to the Operator's entry upon the Airport for the construction of Facilities and prior to the conduct of business. Each Operator shall also maintain fire, casualty, pollution liability, cyber liability, business interruption (in sufficient amounts to enable the Operator to meet its rent obligations), flood, and other appropriate types of coverage with insurers acceptable to the Authority, in such amounts as described in Exhibit A, including hazard and extended coverage

for all leasehold improvements (including building, parking lot, and utilities), chattels, furniture, fixtures, machinery, and equipment located within the Operator's Premises.

- b. Evidence of compliance with Idaho law with respect to worker's compensation and unemployment insurance; the insurance company, or companies, writing the required policy, or policies, shall be qualified and licensed to transact business in the State of Idaho.
 - c. All insurance that an Operator is required to carry and keep in force pursuant to Exhibit A shall include the Authority, their respective officers, agents, and employees as named additional insured parties, as well as a waiver of subrogation in favor of the Authority.
 - d. Each Operator shall furnish evidence of compliance with this requirement to the Authority with proper certification that such insurance is in force and will furnish additional certification as evidence of changes in insurance not less than 10 days prior to any such changes, if the change results in a reduction of coverage, and not more than 5 days after such change if the change results in an increase in coverage.
 - e. Where more than one Commercial Aeronautical Activity is proposed by an Operator, the minimum limits will vary, depending upon the nature of individual services, but will not necessarily be cumulative in all instances. Because of variables based upon the particular insurance coverage and the nature of the Commercial Aeronautical Activity(ies), the applicable minimum insurance coverage on combinations of services will be determined by the Authority prior to execution of an Agreement.
- U. Each Agreement shall provide that, except where, and to the extent, it is caused by the negligence or willful misconduct of Authority Parties, each Operator shall protect, defend, reimburse, indemnify, and hold Authority Parties free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines, and damages (including actually incurred reasonable attorney's fees and costs, as well as fees and costs of consultants and experts reasonably and actually incurred in connection with the indemnified incident) and causes of action of every kind and character, whether or not meritorious, against or from Authority Parties by reason of any damage to property, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party

hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with the Operator's negligent performance of any obligation under an Agreement Operator's, or any of its officers, Personnel, agents, licensees, or contractors, use or occupancy of the Airport, Operator's compliance with the Airport Security Program, Operator's negligent acts, omissions, or operations hereunder, or the performance, non-performance, or purported performance of the Operator or any breach of the terms of an Agreement by the Operator. The Operator shall indemnify, save, hold harmless, reimburse, and defend Authority Parties, individually or collectively, from and against any and all actions, all reasonable expenses, and any fines, which in any way arise from or are based upon the violation of any federal, state, or municipal laws, statutes, ordinances, or regulations, by Operator, or any of its officers, directors, agents, Personnel, licensees, successors, and assigns, or those under its control, except to the extent caused by the negligence or willful misconduct of an Authority Party. Provided, however, that upon the filing by anyone of a claim with the Authority Parties for damages arising out of incidents for which the Operator herein agrees to indemnify and hold the Authority Parties harmless, the Authority Parties shall promptly notify the Operator of such claim and, in the event that the Operator does not settle or compromise such claim, then the Operator shall undertake the legal defense, with legal counsel reasonably approved by the Authority Parties, of such claim both on behalf of the Operator and on behalf of the Authority Parties. It is specifically agreed, however, that the Authority, at its option and at its own expense, may participate in the legal defense of such claim. Any final judgment rendered against the Authority Parties for any cause for which Authority Parties provided the required notice and for which the Operator is liable shall be conclusive against the Operator as to liability and amount upon the expiration of the time for appeal there from. Each Operator's indemnity and defense obligations shall survive the expiration or sooner termination of its Agreement.

- V. Each Operator shall comply with applicable Environmental Laws and other applicable environmental regulations as may be required by the State of Idaho. Operators shall be responsible for all cleanup costs caused by their Commercial Aeronautical Activity including but not limited to the spill of

lavatories, biohazard products, petroleum products, hazardous materials, firefighting agents, or any material or chemical regulated by the Environmental Laws.

- W.** Each Operator shall pay all applicable sales, use, intangible, and ad valorem taxes of any kind, assessed against any Premises it occupies or uses on the Airport, the real property, and any improvements thereon, or which result from the Operator's occupancy or use of the Airport, whether levied against the Operator or Authority.

SECTION 6. PROHIBITED ACTIVITIES

Operators shall not provide commercial aeronautical activities beyond those authorized in an applicable Agreement; conduct through-the-fence operations; charge for use of public facilities outside their Premises or Permitted Area; conduct unsafe operations; conduct business in a manner that violates FAA Grant Assurances; or provide commercial aeronautical activities or Facilities where the Authority has determined to exercise proprietary exclusive authority to provide such commercial aeronautical activities or Facilities.

SECTION 7. SPECIAL EVENTS

Because of limited property available at the Airport, aircraft parking aprons and other constrained facilities at the Airport reach capacity during certain times of the year and during special events in the community, winter operations, or emergency situations (such as forest firefighting). The Authority reserves the right to require any Operator to adapt its operation or facilities or to manage the aircraft parking aprons in a manner the Authority sees fit to ensure safety and maximized capacity during but not limited to special events, winter operations, and emergencies. Requirements placed upon the Operator may include coordination with the Airport Director, special ground handling of aircraft, and movement of aircraft to optimize available aircraft parking aprons. While special event restrictions will primarily affect FBOs, any Operator may be subject to special event restrictions and will be notified as long in advance as can reasonably be provided in the circumstances.

SECTION 8. REQUESTS FOR AGREEMENTS TO PROVIDE COMMERCIAL AERONAUTICAL SERVICES

- A.** Any Entity desiring to engage in a Commercial Aeronautical Activity on the Airport shall make a written application to the Airport Director for such permission prior to performing such Commercial Aeronautical Activity.

- B. Application materials shall consist of all information specified in these Minimum Standards and all documentation deemed necessary by the Authority for a full and complete analysis of the Entity's qualifications.
- C. The Authority, in its reasonable discretion, will determine whether the Entity meets these Minimum Standards and qualifications as herein set out and whether such Entity should be granted an Agreement in whole or in part and, if so, upon what terms and conditions.
- D. Each Entity shall be solely responsible for providing to the Authority relevant information as set forth in these Minimum Standards to establish, to the Authority's reasonable satisfaction, its experience, technical ability, and financial responsibility, including the capability to meet the insurance requirements as stated herein.

SECTION 9. APPLICATION PROCESS

Applications made to the Authority for permission to provide a Commercial Aeronautical Activity on the Airport shall be in writing and provide sufficient detail concerning qualifications of the Entity to perform the proposed Commercial Aeronautical Activity and shall include, at a minimum, the following:

- A. A description of the proposed Commercial Aeronautical Activity, including the following:
 - a. The name, address, electronic mail address, and telephone number of the primary point of contact for the Entity;
 - b. The names and addresses of all management and supervisory Personnel, all officers, and directors (if a corporation) and all persons owning, holding, or controlling any equity interest, voting rights, or debt of the Entity;
 - c. A detailed description of each proposed Commercial Aeronautical Activity, including the proposed date of commencement of the activity, proposed hours of operation, and proposed schedule of fees and charges therefor;
 - d. The proposed structure and amounts of rent and fees to be provided to the Authority;
 - e. A map to scale of the amount, configuration, and location of property requested for use as Applicant's Premises should Applicant desire to lease property;

- f. The size and location of the Premises to be occupied, if applicable, and the proposed design and terms for the construction of any space and the ownership, leasing, or subleasing thereof;
 - g. If applicant proposes a Permitted Area rather than a leased Premises, the location(s) at which it will conduct its business and its authorizations, if applicable, to use any property on which it proposes to conduct its Commercial Aeronautical Activity;
 - h. Descriptions and cost estimates of any proposed capital improvements required to conduct the proposed Commercial Aeronautical Activity, including the Entity's proposed method for financing the same;
 - i. The number, type, and basing of aircraft proposed to be provided (as applicable) and a detailed description of all equipment and facilities to be provided;
 - j. The number of Personnel proposed to be provided (including their names and qualifications), whether such Personnel will be Airport-based (full-time, part-time, or seasonal) or transient, whether such Personnel will be employees; and the certifications required, if any, for all Personnel to be used in providing the proposed Commercial Aeronautical Activity;
 - k. An organizational chart listing the number of positions and Personnel to be assigned to work at the Facility and to provide the Commercial Aeronautical Activity at the Airport, including the professional and technical qualifications of Personnel who will manage and operate the proposed business; and
 - l. The types and amounts of insurance coverage to be maintained, as required by the Authority.
- B.** A cash flow and a profit and loss projection for the first 5 years for each proposed Commercial Aeronautical Activity proposed to be offered, a 3-year historical profit and loss statement, if applicable, and current (within 60 days) balance sheet, all compiled by a Certified Public Accountant authorized to conduct business in the State of Idaho. The foregoing information must be presented in a form satisfactory to the Authority. The Authority shall review and consider financial statements before determining whether the Entity has sufficient financial ability to provide a responsible, safe, and adequate Commercial Aeronautical Activity. Information presented in this subsection will be kept confidential by the Authority to the extent provided by law.

- C.** A written listing of the assets owned, leased, or being purchased that will be used in the business on the Airport. Copies of any relevant leases or purchase contracts shall be attached.
- D.** Copies of all licenses and permits required by federal, state, or local law for the conduct of the proposed business, including licenses and permits required for any Personnel who will manage or operate the business or who will perform any services in connection with the proposed business.
- E.** A statement of the Entity's past experience in the specified Commercial Aeronautical Activity applied for, including resumes of management and supervisory Personnel directly responsible for the proposed operation, together with business, financial, and managerial references. The foregoing information must be presented in a form satisfactory to the Authority and will be reviewed and considered by the Authority. Information presented in this subsection will be kept confidential by the Authority to the extent provided by law.
- F.** A description of the history of the Entity, including a listing of all persons holding ownership, control, management, supervisory, or financing debt interest. Information presented in this subsection will be held confidential to the extent provided by law.
- G.** If the Entity has not been in business for at least 5 years providing a similar Commercial Aeronautical Activity to that proposed, the applicant must attach a statement explaining why the Entity should be considered to be reliable and competent to provide the Commercial Aeronautical Activity.
- H.** Evidence in a form acceptable to the Authority of the Entity's ability to supply a performance bond in the amount equal to 10 percent of the projected annual rental and fees for conducting the Commercial Aeronautical Activity to be provided (cash may be deposited in lieu of a performance bond) and the required insurance.
- I.** A written acknowledgement that the Entity will execute such forms, releases, or discharges as may be required by the FAA and all appropriate regulatory agencies with oversight or licensing authority over the Entity and the proposed business. The Entity shall further authorize the release of information in each regulatory agency's files relating to the Entity or its current or proposed operation.

- J. The Application shall be signed and submitted by the owner of the Entity if a sole proprietorship; every partner if a partnership; every member if an LLC; and the President or Chief Executive Officer if a corporation.
- K. The Entity shall agree to provide any additional information and material necessary or requested by the Authority to establish to the satisfaction of the Authority that the Entity can qualify and will comply with these Minimum Standards.

SECTION 10. ACTION ON APPLICATIONS TO OFFER COMMERCIAL AERONAUTICAL ACTIVITY

- A. Upon receipt of a completed application, along with all supporting documentation submitted in accordance with SECTION 9, the Airport Director shall review the same and refer the matter to the Authority Board for consideration within 90 days from receipt of a completed application.
- B. It is the policy of the Authority to encourage competition in the provision of Commercial Aeronautical Activities. If the Authority receives more than one application to provide a Commercial Aeronautical Activity in the same or substantially similar location or it cannot practically accommodate the Commercial Aeronautical Activity requested in two or more applications, the Authority Board shall grant the application or applications that best meet the following criteria, in this order:
 - a. Applications for a Commercial Aeronautical Activity that would increase competition at the Airport by reducing the risk of perpetuating an exclusive right;
 - b. Applications for a Commercial Aeronautical Activity that is not presently available at the Airport;
 - c. Applications that optimize efficient use of Airport property;
 - d. Applications for a Commercial Aeronautical Activity that the Authority Board has previously identified as a particular need at the Airport
- C. In the event of competing Applications, the Authority Board shall disfavor Applications that expand an Operator's existing Commercial Aeronautical Activity if there is a competing application for a new Commercial Aeronautical Activity or for a new Operator,
- D. If the Authority receives an Application and it has reasonable basis to believe that it may shortly receive a competing Application(s), the Authority Board may, in its reasonable discretion, direct the

Airport Director to initiate a competitive procurement process (for example a request for proposals) before acting on the Application or Applications.

- E. The Authority Board may deny any application if, in its reasonable discretion, any one or more of the following are found:
- a. The Entity does not meet the qualifications, standards, and requirements established by these Minimum Standards.
 - b. The Entity's proposed Commercial Aeronautical Activity will create a safety hazard on the Airport.
 - c. The Entity's proposal will require the Authority to spend funds or supply labor or materials in connection with the proposed operation, or the operation is expected to result in a financial loss to the Authority.
 - d. Inappropriate, inadequate, or insufficient space exists to accommodate the entire Commercial Aeronautical Activity at the time of the Application, or no available or suitable Airport property for the proposed Commercial Aeronautical Activity exists to accommodate the Commercial Aeronautical Activity at the time of the Application.
 - e. The proposal does not comply with the most current ALP.
 - f. The development or use of the proposed Premises will result in congestion of aircraft or buildings or will result in unduly interfering with the operations of any existing Commercial Aeronautical Activity.
 - g. The Entity has either intentionally or unintentionally misrepresented or omitted any pertinent information in the application or in supporting documents.
 - h. The Entity has a record of violating the rules and regulations of the Airport, or of any other airport in the United States, FAA regulations, or any other federal, state, or local statutes, laws, rules, or regulations within 5 years of the date of its application.
 - i. The Entity has defaulted in the performance of any contract with the Authority.

- j. The Entity does not, in the reasonable discretion of the Authority, exhibit adequate financial responsibility to undertake the proposed Commercial Aeronautical Activity based on the financial information provided by the Entity in its application .
- k. The Entity cannot provide acceptable surety in the amount required by the Minimum Standards.
- l. The Entity cannot provide a performance bond or applicable insurance in the amounts and types required by the Minimum Standards for that Commercial Aeronautical Activity.
- m. The Entity has been convicted of any felony or of a misdemeanor involving moral turpitude.
- n. The Entity has requested terms of an Agreement that are below the minimum requirements contained in these Minimum Standards or the Authority has determined, in its reasonable discretion, that the Entity is proposing to pay fees, rates, and charges that are unfair, unreasonable, and unjustly discriminatory.
- o. The proposed Commercial Aeronautical Activity or resulting Facility proposed to be constructed by the Entity are not in the best interest of the Airport pursuant to the Minimum Standards, the rules and regulations, and other adopted Authority policies.
- p. The Entity does not, in the reasonable discretion of the Authority, possess the experience or training as required in the Minimum Standards.

SECTION 11. REQUIREMENTS AND STANDARDS FOR FIXED BASE OPERATORS

- A. Premises.** FBOs shall lease Premises consisting of a minimum of 4.0 acres of Authority-owned land to provide all required services described herein. The minimum Premises shall include the following minimum facilities: (i) a 150-foot by 260-foot building properly lighted and conditioned to accommodate a mix of uses, including the following: a public lobby/customer service area; pilot lounge; flight planning area; public restrooms; conference room; flight training; offices; aircraft hangar bays for aircraft storage/maintenance; aircraft maintenance shop; equipment storage; and parts storage space; (ii) mobile aircraft fueling vehicle parking area; and (iii) a public automobile parking area. FBOs shall further have available, either within its Premises or for its continuous use, a contiguous minimum 150,000-square-foot aircraft apron with taxiway access to accommodate the

parking, staging, and maneuvering of based and transient aircraft. FBOs shall also lease within its Premises, or build and install, maintain, and manage a fuel storage area in a contiguous or non-contiguous area of Airport Property consisting of aboveground storage tanks, with a minimum aggregate storage capacity of 80,000 gallons for Jet-A fuel and 12,000 gallons of 100LL fuel.

- B. Scope of Services and Hours of Operation.** FBOs shall provide at least the following comprehensive commercial aeronautical services to the public, regardless of type of operation or type of aircraft:

Service	Provider Requirements	Hours of Operation
Aircraft Fuel and Lubricants	Required; provided by authorized FBO only	0600–2100 daily
Aircraft Ground Handling Services	Required; provided by authorized FBO only	0600–2100 daily
Customer Service	Required; provided by authorized FBO only	0600–2100 daily
Deice Services	Required; provided by authorized FBO only	0600–2100 daily; as needed during winter operations
Disabled Aircraft Assistance	Required; provided by authorized FBO only	0600–2100 daily
Flight Training	Required; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 6 days per week
Aircraft Rental	Required; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 6 days per week
Aircraft Maintenance	Required; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week
Aircraft Charter Services	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week
Aircraft Sales	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week

- a. **Hours of Operation.** FBOs may alter their business hours only upon prior written approval of the Airport Director. FBOs shall ensure that at least two fully trained and qualified fuel service Personnel are on duty during the required hours of operation specified in Section 11.B to provide fuel service as applicable. For Aircraft Maintenance Services, FBOs shall provide

sufficient Personnel to ensure the availability of service on a call-back basis (not greater than 30 minutes) to address after-hour requests for service from customers.

- b. **Third-Party SASO.** FBOs providing aircraft charter services, aircraft maintenance, aircraft rental, flight instruction, or aircraft sales, through a sublease or third-party contractor arrangement, shall comply with the Minimum Standards for the listed Commercial Aeronautical Activity and obtain written approval from the Airport Director prior to subleasing or entering into a contract arrangement with such Entity for the provision of a required Commercial Aeronautical Activity.
- C. **Insurance.** FBOs shall maintain insurance in the types, amounts, and forms as required by the Authority, and as the same may be occasionally modified by the Authority, as described in SECTION 5.T of these Minimum Standards. FBOs providing Flight Training and Aircraft Rental Services, either directly or through an Authority-approved third-party SASO, shall have student and renter's liability insurance coverage readily available for purchase by students and aircraft renters.
- D. **General.** FBOs shall:
 - a. Provide and maintain, at their sole cost and expense, all equipment, facilities, and aircraft necessary to provide the required Commercial Aeronautical Activity and level of performance in a clean and safe condition at all times.
 - b. Pay a fuel flowage fee as the same may be regularly established by the Authority for all Aircraft Fuel delivered to the Airport.
 - c. Select and appoint a full-time manager of its operations. Such manager shall be highly qualified and experienced and vested with full power and authority to act in the name of the FBO in respect to the method, manner, and conduct of the operation of the FBO's services. Such manager shall be available at the Airport during regular business hours, and during the manager's absence a duly authorized subordinate shall be in charge and available at the Airport.
 - d. Provide at the FBO's sole expense a sufficient number of Personnel to effectively and efficiently offer the commercial aeronautical activities authorized by the Authority.

- e. Control the conduct, demeanor, and appearance of its Personnel and representatives. Such Personnel shall be trained by the FBO and shall possess all technical qualifications and hold certificates of qualification, as may be required for Personnel to carry out assigned duties. It shall be the responsibility of the FBO to maintain close supervision over its Personnel to assure the rendering of a high standard of service to each customer of the FBO. Upon reasonable objection from the Authority concerning the conduct, demeanor, or appearance of any of the FBO's Personnel, the FBO shall take all steps necessary to remove the cause of the objection.
- f. Ensure that all Personnel shall conduct themselves in a courteous and business-like manner at all times. Personnel who have public/customer contact (excluding pilots, office Personnel, marketing Personnel, and off-site salespersons) shall have a professional appearance and shall be clothed in attractive uniforms with appropriate insignia and identification media so they may be readily identified by customers.
- g. Provide to the Airport Director a current written statement of the names, general technical qualifications, addresses, telephone numbers, and other necessary contact information for all Personnel responsible for the operation and management of the FBO. In addition, a point of contact with phone numbers for emergency situations shall be provided to the Airport Director.
- h. Provide escorts for flight crews to and from all aircraft parking aprons.
- i. Train all Aircraft Fuel handling Personnel in the safe and proper handling, dispensing, and storage of Aircraft Fuel. Acceptable training shall be an FAA-approved safety training course in accordance with the latest version of FAA AC 150/5230-4, *Aircraft Fuel Storage, Handling, Training, and Dispensing on Airports*; the National Air Transportation Association's Safety First Program; or an equivalent training program acceptable to the Airport Director. All training records and qualifications shall be provided to the Authority upon request in accordance with 14 CFR Part 139.321, as applicable.

E. Service Descriptions and Minimum Requirements

- a. **Aircraft Fuel and Lubricants.** FBOs shall:

1. Provide for the sale and into-plane delivery of common and recognized brands of Aircraft Fuel, lubricants, and other aviation petroleum products. FBOs shall further provide, store, and dispense Jet-A or 100LL octane Aircraft Fuel solely from mobile aircraft fueling vehicles for dispensing Aircraft Fuel at aircraft parking/tiedown locations.
 2. Provide and supply Aircraft Fuel spill kits on the Premises for use in the event of a release or discharge of Aircraft Fuel onto paved surfaces of the Airport.
 3. Provide monthly fuel reports, including total gallons of fuel delivered to the FBO by type and category, to the Airport Director.
 4. Respond to requests for Aircraft Fuel within 20 minutes of receiving a request.
 5. Develop and maintain an Aircraft Fuel Spill Prevention, Countermeasures, and Control (SPCC) Plan, a copy of which shall be provided to the Airport Director no later than 30 days prior to commencing fueling operations and anytime the SPCC Plan is updated.
- b. **Aircraft Fuel Storage Areas.** FBOs shall ensure that all Aircraft Fuel storage areas are provided with filter-equipped Aircraft Fuel dispensers with separate dispensing pumps and meter systems for each grade of Aircraft Fuel provided. The design, construction, and operation of fuel storage areas shall conform to the Authority rules and regulations, as well as all applicable federal, state, and local laws and regulations, including the National Fire Protection Association; Air Transport Association Specification 103, *Standard for Jet Fuel Quality Control at Airports*; Environmental Laws; and state regulations pertaining to Aircraft Fuel spill prevention and containment measures. The Airport Director shall have the authority and right to inspect all fuel storage areas in accordance with 14 CFR Part 139.327.
- c. **Ground Handling Services.** FBOs shall provide the following aircraft ground handling services during the required hours of operation specified in Section 11.B.a: (i) aircraft apron/tiedown parking assistance for any aircraft occupying or using the aircraft apron/tiedown area used by the FBO (even if such area is not with the Premises), including ramp Personnel and vehicles as needed; (ii) tiedown anchors and ropes/chains; (iii) mobile forced air engine preheat; (iv) mobile ground power units with a minimum 14/28-volt, 2,000-ampere surge capacity; (v)

aircraft towing services utilizing motor-driven drawbar vehicles capable of moving ADG III aircraft; (vi) cabin cleaning; (vii) mobile aircraft anti-ice and deice services conducted in areas authorized by the Airport Director; (viii) aircraft lavatory service; (ix) hangar storage; and (x) assistance with enplaning and deplaning all aircraft passengers and baggage.

- d. **Customer Service.** FBOs shall provide the following customer services: (i) services to facilitate airborne customer requests; (ii) a discrete vending area within the Premises with the availability of both hot and cold beverages and prepackaged snacks; (iii) discrete flight planning area properly equipped with desks and chairs and containing appropriate wall charts, a current *FAA Aeronautical Information Manual*, a listing of current and applicable Notice(s) to Airmen, direct communication link with the FAA Automated Flight Service Station, and a monitor for the Automatic Terminal Information Service; (iv) a convenient, comfortably furnished public waiting area that is first-class and representative of a high-end VIP lounge, with adjoining restroom facilities; (v) assistance with ground transportation services and rental car availability; (vi) aviation-grade inflight oxygen refills upon 24-hour prior request; (vii) acceptance of one or more national bank or oil company credit cards for fueling, line, and related services; (viii) accommodation arrangements; (ix) the collection and remittance to the Authority of all general aviation landing fees, parking fees, and international facilities user fees, as applicable should the Authority so request; and (xi) at least one courtesy vehicle.
- e. **Disabled Aircraft Assistance.** During normal business hours (and outside of normal business hours within 1 hour notice by the Airport Director), FBOs shall provide equipment and trained Personnel to remove disabled aircraft from the runways, taxiways, and other areas of the AOA within 30 minutes' notice. FBOs shall perform such service on request of the owner or operator of the disabled aircraft or the Airport Director. Aircraft with disabled landing gear, flat tires, or damaged wheels that require rigging or other equipment not generally available from an FBO, or that require expertise that is not expected of line Personnel, are exempt; however, FBOs shall provide assistance to such disabled aircraft to the best of their ability.

- f. **Aircraft Maintenance.** FBOs shall provide maintenance, repair, rebuilding, alteration, or inspection of aircraft or any of their component parts. The FBO must be certificated by the FAA under 14 CFR Part 145 as an approved repair station to perform aircraft maintenance and shall provide only those maintenance and inspection services permitted by its FAA certification. All FBO Personnel performing work on aircraft shall hold an airframe, power plant, or an aircraft inspector rating pursuant to FAA regulations. FBOs shall provide Personnel who are trained and certified and possess the appropriate FAA certificate(s) for the work being performed during the required hours of operation specified in Section 11.B.a for aircraft maintenance services. FBOs shall further provide Aircraft Line Maintenance for all Air Carrier Aircraft serving the Airport.
- g. **Flight Instruction.** FBOs shall provide instruction to pilots in dual and solo flight training, in fixed-wing aircraft, and any related ground school instruction as is necessary for preparation for taking an FAA written examination and flight check ride for a category or various categories of pilot's licenses and ratings. FBOs shall be certificated by the FAA in compliance with either 14 CFR Part 61 or 14 CFR Part 141 and have and maintain during the Term of their Agreements these certifications/other proper licenses and operate in conformance with all appropriate FAA regulations. FBOs shall have sufficient Personnel, properly certificated by the FAA as a flight instructor, to provide the type of instruction being offered. FBOs shall further provide sufficient Personnel to provide on-demand ground school instruction sufficient to enable students to satisfactorily pass the FAA written examinations for an instrument rating and commercial pilot's license. FBOs shall provide no fewer than two airworthy aircraft suitably equipped for and meeting all the requirements of the FAA with respect to the type of operation to be performed; one of these aircraft must be instrument flight rules (IFR) capable with four seats. Moreover, FBOs shall provide an IFR flight simulator capable of simulating flight in a reciprocating-engine aircraft and have for sale, and make available for sale to the public, flight training textbooks, manuals, and other miscellaneous pilot supplies, such as plotters, computers, and navigational charts.

- h. **Aircraft Rental.** FBOs shall offer the rental of aircraft to the public and shall have available for rental, either owned or under written lease to the FBO, a minimum of three aircraft to handle the proposed scope of the operation and be sufficient to provide for the public demand. FBOs shall further have available on a full-time basis at least one flight instructor who is currently certificated by the FAA to provide aircraft checkout training services for customers renting aircraft and shall maintain during the Term of their Agreement proper licenses and operate its aircraft rental service in conformance with all appropriate FAA regulations.
- i. **Aircraft Charter Service.** FBOs may provide commercial air transportation of passengers or property to the general public for hire under 14 CFR Part 135, either on a charter basis (commercial operation) or as an air taxi operator (using aircraft with fewer than 60 passenger seats) on a non-scheduled, on-demand basis. FBOs shall have and maintain during the Term of their Agreement proper FAA certifications and licenses and operate in conformance with all appropriate FAA regulations.

FBOs providing Aircraft Charter Service shall also hold a proper commercial operator certificate and own, or have available to them, under written lease, no fewer than one airworthy aircraft suitably equipped for meeting the requirements of the FAA with respect to the type of operation to be performed and be equipped for and capable of use under IFR conditions that meet the requirements of 14 CFR Part 135. Such FBOs shall have on duty trained Personnel in such numbers as are required to meet the Minimum Standards set forth in this category during the required operating hours set forth for this service in Section 11.B, and otherwise appropriately rated to permit the aircraft charter service being offered. If applicable, FBOs shall have available sufficient qualified operating crews or satisfactory number of Personnel for checking in passengers, handling luggage, ticketing, or furnishing or arranging for suitable ground transportation.

- j. **Aircraft Sales (New or Used).** FBOs may offer the sale of new or used aircraft through franchises or licensed dealerships or distributorships (either on a retail or wholesale basis) of

an aircraft manufacturer and provide such repair, services, and parts as necessary to meet any guarantee or warranty on new or used aircraft sold. FBOs authorized by the Authority to provide Aircraft Sales shall have sufficient Personnel available during the required hours of operation specified in Section 11.B.a to meet these requirements in an efficient manner, but never fewer than one person having a current pilot certificate with appropriate ratings for the operation being conducted. Such FBOs shall have available or have access to at least one fully assembled and certificated-airworthy demonstrator aircraft for each category or class of aircraft sold and provide necessary and satisfactory arrangements for the repair and servicing of aircraft for the duration of any sales guarantee or warranty period.

- F. Prohibited Services and Activities.** Except as incidental to its charter or other operations, FBOs shall not conduct or permit in-flight catering services, ground catering, restaurant, or lounge operations on or from the Premises without prior written consent of the Authority and with provisions for the payment of rent or percentage of rent as the Authority may prescribe. FBOs shall be further prohibited from engaging in commercial automobile leasing, commercial taxi or limousine services, or selling or distributing alcoholic beverages; or operating a paid public parking area or other service not previously authorized by the Authority. FBOs shall also be prohibited from providing services to aircraft operators who are required by Authority policies or rules to use the terminal building without advance approval from the Airport Director, in their reasonable discretion.

SECTION 12. MINIMUM STANDARDS FOR SPECIALIZED AVIATION SERVICE OPERATORS

SASOs may provide one or more of the following commercial aeronautical activities and shall comply with the Minimum Standards described herein. SASOs are encouraged to sublet Premises from an FBO if required; however, if suitable land or Premises are not available or cannot be obtained from an FBO, then SASOs may sublease Premises from either another SASO or lease directly from the Authority land or existing facilities, if available.

A. Independent Aircraft Maintenance and Repair (Minor and Specialized).

- a. **Scope of Service.** Independent aircraft maintenance and repair operators will be permitted to provide aircraft maintenance services on a part-time basis at times of their choosing with prior written authorization from the Airport Director.

- b. **Minimum Standards.** Independent Aircraft Maintenance and Repair SASOs shall:
 - 1. Obtain a Business License as may be required by City of Hailey, Idaho, and provide a copy to the Airport Director.
 - 2. Demonstrate to the Authority that adequate Facilities and Premises are available to conduct the proposed Commercial Aeronautical Activity at the Airport.
 - 3. Obtain an Independent Aircraft Maintenance and Repair Business Permit from the Airport Director, which requires:
 - i. Proof of proper and current licenses certified by the FAA, with appropriate ratings to cover the type of training offered.
 - ii. Proof of a Business License, if required.
 - iii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services.
 - iv. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.
 - vi. Written assurance that not more than 40 hours of aircraft maintenance will be provided in any month.

B. Independent Flight Instructor.

- a. **Scope of Service.** Independent flight instructors will be permitted to provide aircraft flight instruction on a part-time basis at times of their choosing with prior written authorization from the Airport Director.
- b. **Minimum Standards.** Independent Flight Instructor SASOs shall:
 - 1. Obtain a Business License as may be required by City of Hailey, Idaho, and provide a copy to the Authority.

2. Demonstrate to the Airport Director that an adequate Permitted Area is available to conduct the proposed Commercial Aeronautical Activity at the Airport.
3. Obtain an Independent Flight Instructor's Airport Business Permit from the Airport Director, which requires:
 - i. Proof of proper and current licenses certified by the FAA, with appropriate ratings to cover the type of training offered.
 - ii. Proof of a Business License, if required.
 - iii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services. In addition, student and renter's liability shall be readily available for purchase by students and renters for the delivery of aircraft flight training and aircraft rental services.
 - iv. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.
 - vi. Written assurance that not more than 40 hours of flight instruction will be provided in any month.

C. Aircraft Detailing Services.

- a. **Scope of Service.** Aircraft detailing services will be permitted to provide aircraft cleaning and detailing services on a part-time basis at times of the Operator's choosing with prior written authorization from the Airport Director.
- b. **Minimum Standards.** An Aircraft Detailing Service provider SASO shall:
 1. Obtain a Business License as may be required by City of Hailey, Idaho, and provide a copy to the Authority.

2. Demonstrate to the Airport Director that an adequate Permitted Area is available to conduct the proposed Commercial Aeronautical Activity at the Airport.
3. Obtain an Aircraft Detailing Airport Business Permit from the Airport Director, which requires:
 - i. Proof of a Business License, if required.
 - ii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services.
 - iii. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - iv. Written assurance that not more than 40 hours of aircraft detailing service shall be provided in any month.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.

D. Specialized Commercial Flying Services.

- a. **Scope of Service.** A Specialized Commercial Flying Services Operator is an Entity engaged in air transportation for hire for the purpose of providing the use of aircraft for any of the following activities:
 1. Glider operations;
 2. Nonstop sightseeing flights (those that operate within a 50-mile radius of the Airport and begin and end at the same Airport);
 3. Aerial application, including crop dusting, seeding, spraying, bird chasing, fish spotting, etc.;
 4. Aerial photography or survey;
 5. Skydiving;
 6. Power line or pipeline patrol; and
 7. Any other operations specifically excluded from 14 CFR Part 135.

b. **Minimum Standards.**

1. **Qualifications.** A Specialized Commercial Flying Services Operator shall:
 - i. Demonstrate to the Authority that adequate Facilities and Premises are available to conduct the proposed Commercial Aeronautical Activity at the Airport.
 - ii. Provide, by means of an office, electronic mail address, and a telephone, a point of contact for the public desiring to use its services.
 - iii. Have Personnel on duty during the required operating hours, trained Personnel in such numbers as may be required to meet the Minimum Standards herein set forth in an efficient manner, but never fewer than one person holding a current FAA commercial certificate, properly rated for the aircraft to be used and the type of operation to be performed.
2. **Hours of Operation.** Hours of operation shall be determined in conjunction with the Airport Director based upon the nature of the proposed Commercial Aeronautical Activity.
3. **Premises and Equipment.** A Specialized Commercial Flying Services Operator shall:
 - i. Provide within its Premises sufficient automobile parking space in accordance with local building and zoning code requirements.
 - ii. Demonstrate that it has available (either within its Premises or within its Permitted Area) a paved aircraft parking apron, with taxiway access, sufficient for the parking of aircraft to be used in the operation.
 - iii. In the case of crop dusting, aerial application, or other commercial use of chemicals, the Operator shall provide a centrally drained, paved area adequate for all aircraft loading, unloading, washing, and servicing. This area must be built and operated in full compliance with all applicable Environmental Laws and State of Idaho regulations governing such activities. The Operator shall also provide for the safe storage and containment of all chemical material. Such facilities will be in a location on the Airport that will provide the greatest safeguard to the public.

- iv. Provide and have based on the Premises, either owned or under written lease to the Operator, no fewer than one airworthy aircraft, suitably equipped for and meeting all the requirements of the FAA with respect to the type of operation to be performed.
- v. In the case of crop dusting or aerial application, the Operator shall provide tank trucks for the handling of liquid spray and mixing liquids. The Operator shall also provide adequate ground facilities and equipment for the safe containment, storage, handling, and safe loading of all noxious chemicals and materials in compliance with US Environmental Protection Agency and State of Idaho regulations.

- 4. Insurance. Provide insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards.

E. Commercial Hangar Operator. A Commercial Hangar Operator finances, develops, constructs, owns, or manages facilities for the purpose of subleasing conventional or nested T-hangars to the general flying public.¹ Facilities constructed by a Commercial Hangar Operator are not to be used for any business or purpose other than that authorized by the Authority and, in particular, are not to be used for a SASO or FBO, unless explicitly and separately authorized by the Airport Director. All Facilities shall be constructed in accordance with the design, zoning, and construction standards required and established by the Authority, City of Hailey, Idaho, and Blaine County, Idaho. In addition, a Commercial Hangar Operator shall provide towing equipment capable of maneuvering aircraft to and from a Facility.

Commercial Hangar Operators constructing a clear span hangar for the storage of multiple aircraft shall have Premises sufficient in size to construct a building, as well as have access (either within its Premises

¹ The lease of Airport property to an entity, or entities, for the purpose of constructing or occupying a hangar for the non-commercial storage of the lessee's own aircraft is not considered a Commercial Aeronautical Activity and is not subject to these Minimum Standards.

or within its Permitted Area) to an aircraft apron and customer automobile parking, based on available space, as approved by the Airport Director.

Commercial Hangar Operators constructing a T-hangar(s) shall have Premises sufficient in size to construct a building, as well as have access (either within its Premises or within its Permitted Area) to an aircraft apron and customer automobile parking, based on available space, as approved by the Airport Director.

Commercial Hangar Operators shall provide insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards.

SECTION 13. FEDERAL AVIATION ADMINISTRATION REQUIRED AGREEMENT PROVISIONS

Each Agreement shall contain the following provisions regarding subordination, emergency leasing to the United States, and non-discrimination, as such provisions may be amended. The language for these provisions is as follows:

- A.** Each Agreement shall be subordinate to the provisions of any existing agreement between the Authority and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- B.** During times of war or national emergency, the Authority shall have the right to lease the landing area, or any part of the Airport, to the United States government for military or naval use, and if any such lease is executed, the provisions of the Authority's lease with the Operator shall be suspended.
- C.** All facilities located on the Airport and developed with federal financial assistance and all facilities usable for landing and taking off of aircraft will be available to the United States for use by government aircraft in common with other aircraft at all times without charge, except if the use by government aircraft is substantial, then a charge may be made for a reasonable share, proportional to such use, of the cost for operating and maintaining the facilities used.
- D.** As a condition of the use of the Airport, each Operator shall undertake an affirmative action program as required by FAA regulations, 14 CFR Part 152, Subpart E, "Nondiscrimination in Airport Aid Program," or as otherwise approved by the FAA, to ensure that no person shall on the grounds of race,

creed, color, national origin, sex, or handicap be excluded from participation in any employment activities covered in such Subpart E. Each applicable Operator shall not exclude any person on such grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart E. Each applicable Operator shall require that its covered suborganizations provide assurances to the Operator that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

- E. The Operator shall furnish all services authorized or licensed on a fair, equal, and not unjustly discriminatory basis to all users and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that it may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers, if permitted by law.
- F. As required by FAA regulations, 14 CFR Part 152, Subpart E, “Nondiscrimination in Airport Aid Program,” or as otherwise approved by the FAA, each Operator for itself, its personal representatives, its successors in interest, and its assignees shall agree that:
 - a. No person on the grounds of race, creed, color, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, including participation in any employment activities covered in such Subpart E.
 - b. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - c. The Premises are to be used in compliance with all other requirements imposed by or pursuant to 49 CFR, *Transportation*, Subtitle A, *Office of the Secretary of Transportation*, Part 21, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964,” and as said regulation may be amended.

- d. In the event of breach of any of the above non-discrimination covenants, the Authority shall have the right to terminate the Agreement and re-enter and repossess said land and the facilities thereon and hold the same as if said Agreement had never been made or issued.

SECTION 14. VIOLATIONS

Any violation of these Minimum Standards may result in the loss of the right to operate at the Airport or termination of an Agreement. In addition, any violation of these Minimum Standards may result in the imposition of criminal penalties pursuant to Ordinance No. 534 of the City of Hailey, Idaho. These Minimum Standards shall be in full force and effect from and after their passage and adoption.

EXHIBIT A

MINIMUM INSURANCE REQUIREMENTS