



# Friedman Memorial Airport Authority

## Regular Board Meeting

January 4, 2022





# Approve Agenda



# Public Comment

(10 Minutes)



# Approval of Meeting Minutes

December 7, 2021 Regular Meeting



# Reports

# Reports

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

# Airport Director's Report



# Airport Activity Status

- ▶ December Passenger Enplanements (unofficial)
  - +33% December 2021 vs. December 2019
- ▶ Operations (unofficial)
  - December 2021 vs:
    - December 2020 -2%
    - December 2019 +3%
  - CY YTD TOTAL 2021: 29,102
    - +20% 2020
    - +18% 2019



# Holiday Travel

## Plan ahead this holiday season



ARRIVE 2 HOURS BEFORE YOUR FLIGHT



MASKS ARE REQUIRED IN THE TERMINAL AND DURING TRAVEL



PARKING IS LIMITED



FIND ALTERNATIVE TRANSPORTATION



FOR PARKING LOT STATUS, PLEASE VISIT: [iFLYSUN.COM](http://iFLYSUN.COM)



# Come on in...





# SUN AIRPORT CLOSURE

## APRIL 18 TO MAY 17, 2022

The month-long airport closure is required for extensive federal and airport funded improvement projects

Fully funded by grants from the Federal Aviation Administration, the \$8.6 million dollar project will be completed in four phases to minimize closure and service interruption at Friedman Memorial Airport (SUN).

Additionally, FMAA will be investing \$1.3 million into significant improvements to the parking lot.

Please monitor our website at [iflysun.com](http://iflysun.com) for project updates and additional information.

## Rehabilitation of Runway 13-31, Taxiway B & Aprons

### Rehabilitate Runway 13-31

- Mill and Inlay Runway 13-31
- Construct Paved Shoulders
- Construct Blast Pad
- Install Runway Surface Condition System
- Replace Runway Signs
- Relocate Perimeter Fence

### Rehabilitate Section 1 Apron

- Mill and Inlay Apron

### Rehabilitate Taxiway B and Section 3 Apron

- Crack Seal
- Fog Seal
- Remark

FOR MORE INFORMATION NAVIGATE TO: [IFLYSUN.COM](http://IFLYSUN.COM)



# “On the Horizon”

- ▶ In-house parking proposal



# Airport Staff Brief Questions?



**Action**  
**New Business**

# FY2021 Annual Audit and Financials

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

# Friedman Memorial Airport Authority

Year Ended September 30, 2021

A Presentation of the Financial Statements  
and Audit Results



Helping you succeed, financially and beyond.



# Discussion Topics

Audit Overview

Significant Items and Conclusions

Financial Overview and Metrics

Other Required Communications

Upcoming Accounting Changes

Questions

# Audit Overview

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

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

**Audit Timeline** – Planning began October 2021, with fieldwork being performed November 15<sup>th</sup> through 18<sup>th</sup> and reporting completed on January 5, 2022.

# Audit Overview

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

## PLANNING

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

## FIELDWORK

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

## REPORTING

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

# Significant Audit Items

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

**CARES Act** – Reviewed the Authority’s compliance under the single audit act. Performed internal control testing over compliance with federal funding.

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

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

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

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

# Significant Audit Items (Continued)

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

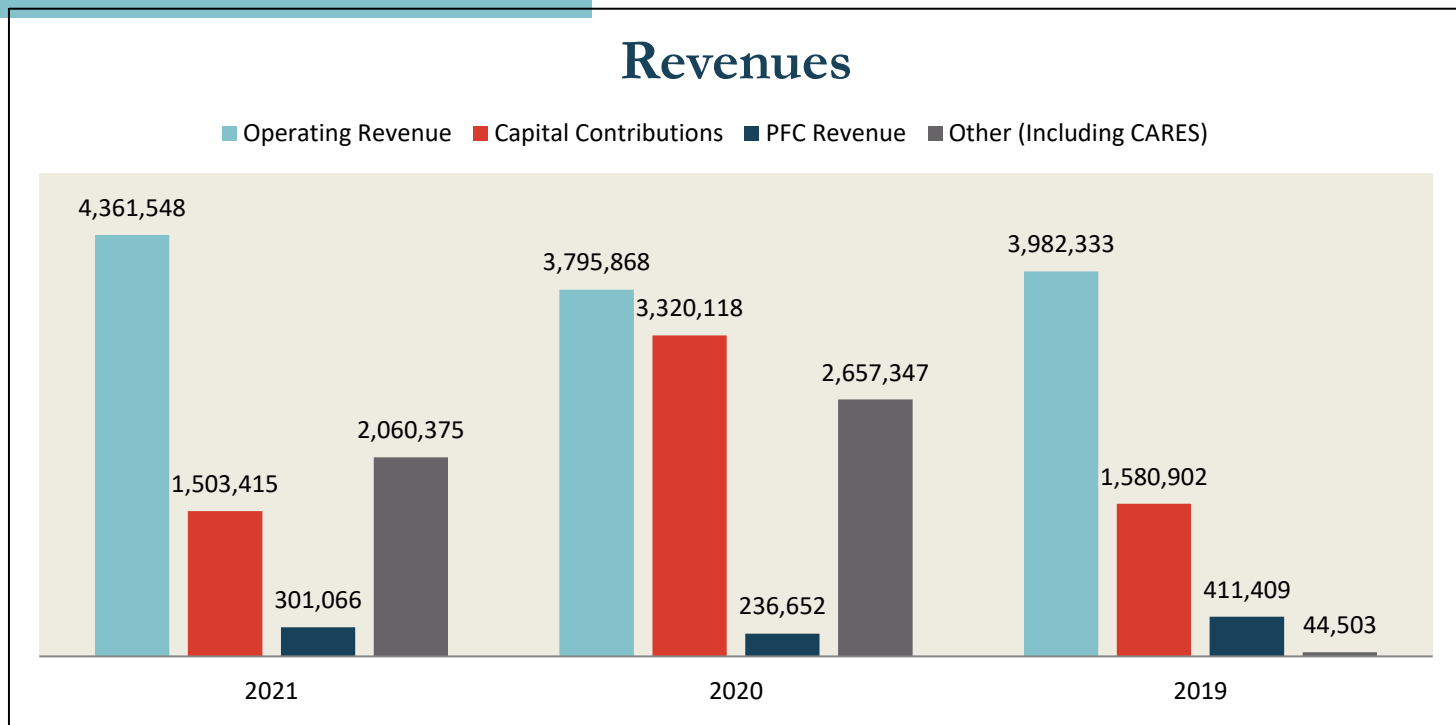
**Other Expenditures and Accounts Payable** – Search of unrecorded liabilities. Reviewed significant expenses both analytically and substantively. Internal control testing of cash disbursement performed in accordance with Government Auditing Standards.

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

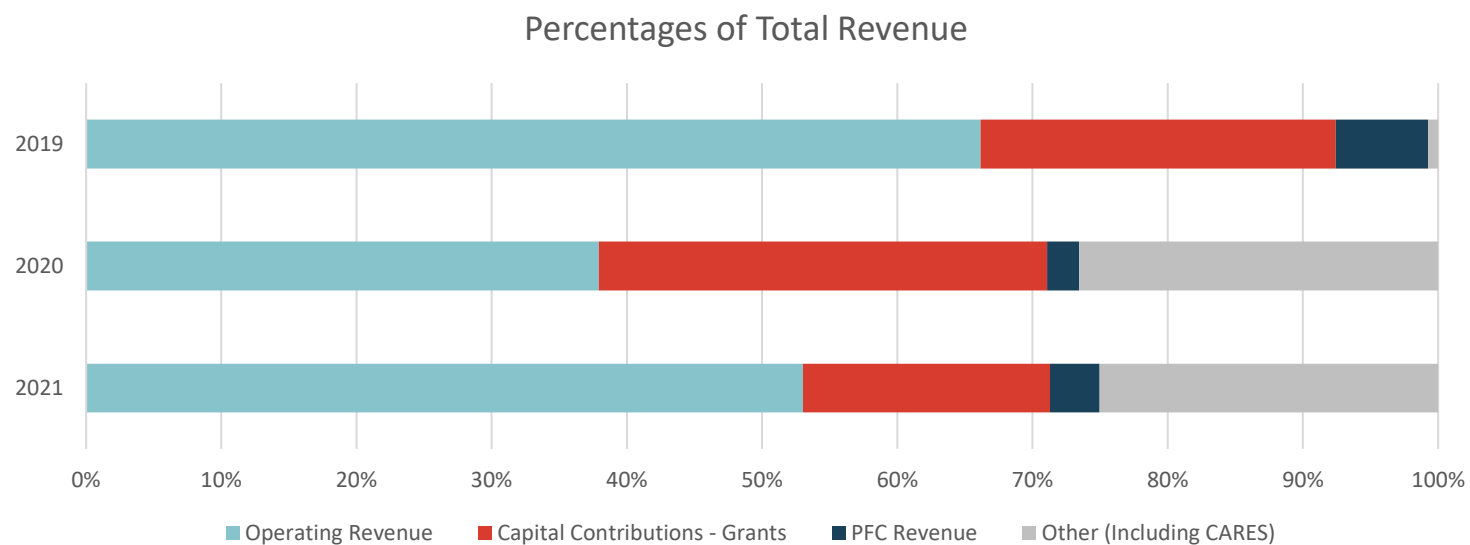
**Management Turnover** – Reviewed the internal controls to ensure that they are functioning appropriately. Performed walkthroughs of the processes ensuring that the proper approvals are being obtained for transactions.

**Fraud Considerations**

# Financial Overview - Metrics

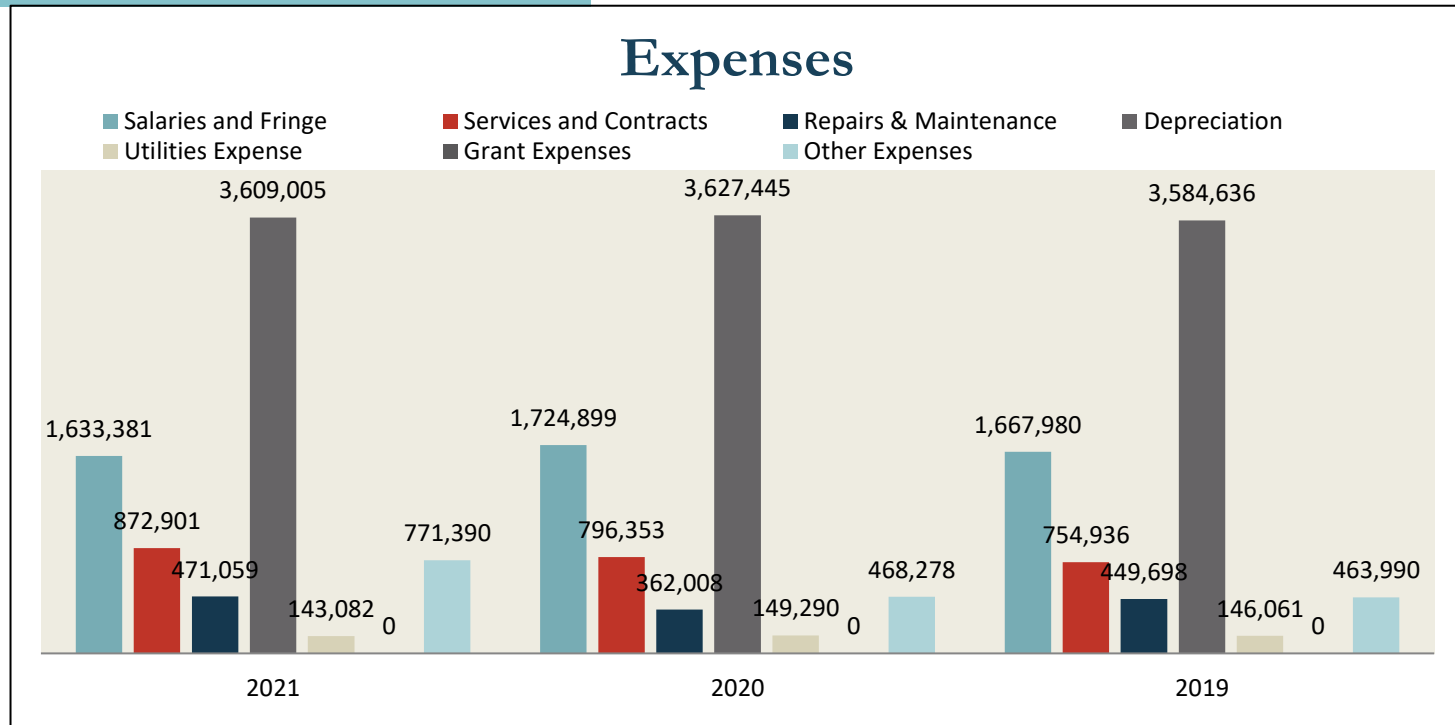


# Financial Overview – Metrics



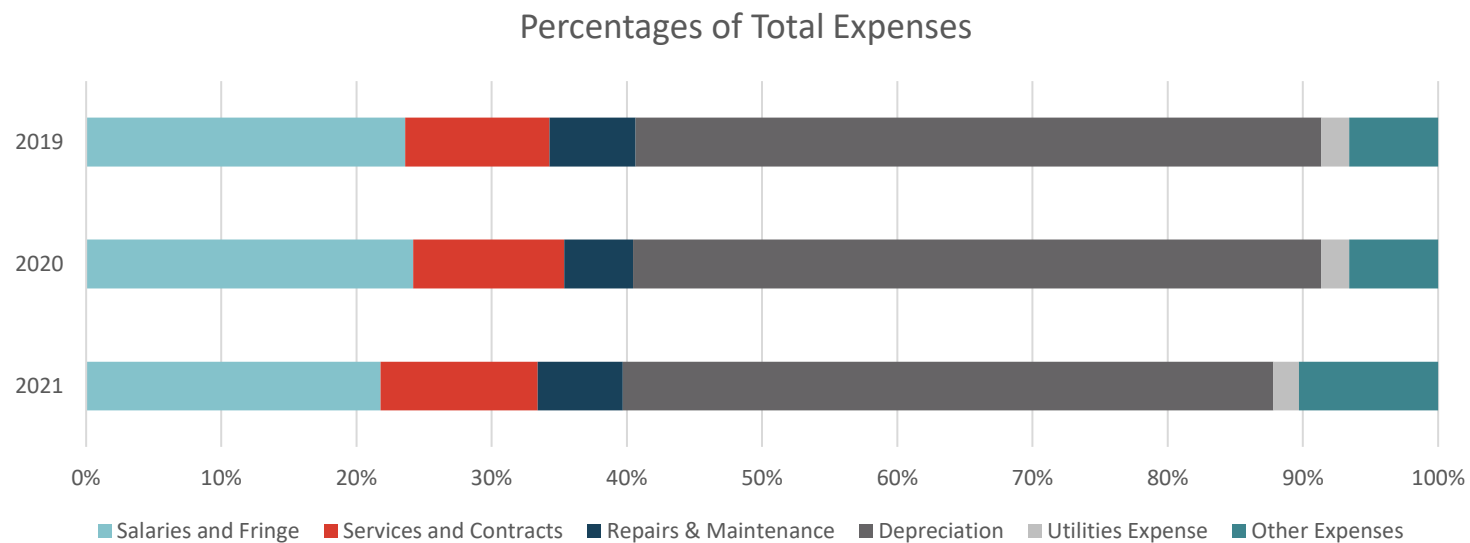
*Shows revenue by source*

# Financial Overview – Metrics





# Financial Overview – Metrics



# Other Communications

## Communication with Those Charged with Governance

- Significant accounting policies – discussed in significant audit slide.
- No disagreement with management and no consultation with other auditors.
- No journal entries were proposed by the auditors.

## Communication of Significant Deficiencies and Material Weaknesses

- All significant deficiencies and material weaknesses must be reported in the financial statements. No items were identified.
- Other observations were noted in the management letter.

# Upcoming Accounting Changes

## GASB Statement 87 - Leases

Effective for fiscal years beginning after June 15, 2021

Lessees will be required to concurrently recognize a right-of-use asset and the related lease liability.

Lessors will be required to recognize a lease receivable and a deferred inflow of resources.

This will increase the usefulness of financial statements by requiring reporting of certain lease liabilities that are not currently reported.

# Questions



The background features abstract, overlapping green geometric shapes in various shades of green, creating a modern and dynamic look. The shapes are primarily located on the left and right sides of the page, framing the central text.

# Friedman Memorial Airport Authority

Presentation of Financial Statements for the  
Year Ended September 30, 2021

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

# Reasons for Year-End Adjustments

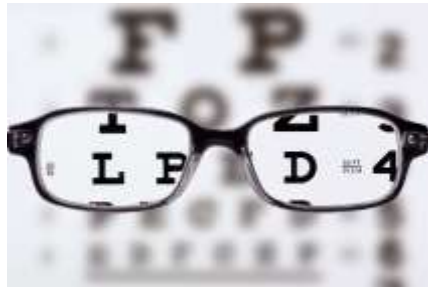
- ▶ Monthly financial statements are prepared through QuickBooks on a modified accrual basis.
  - ▶ Receivables and payables are accrued monthly, however:
    - ▶ Capital outlay and loan payments are expensed
    - ▶ Provides better operating information on a monthly basis
- ▶ Full accrual accounting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

# Management Discussion & Analysis

## Pages 4-7






Prepared with the assistance of management.

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



# Financial Statements

## Pages 8-10

- ❖ Statements of Net Position, page 8
  - ❖ Total Net Position increased by 1.3% to \$58.6 million 
  - ❖ Unrestricted portion of Net Position increased 43.2% to \$9 million 
- ❖ Statements of Revenue, Expenses and Changes in Net Position, page 9
  - ❖ Operating loss decreased by 5.7% to \$3.1 million 
  - ❖ Capital contributions from AIP grants decreased 54.7% to \$1.5 million 
- ❖ Statements of Cash Flows, page 10
  - ❖ Breaks down the cash flows from and used by various activities that resulted in a 133% increase in cash to \$8.4 million 



# Notes to Financial Statements

## Pages 11-19

- ❖ Notes give more detailed information about the numbers in the financial statements.
  - ❖ Note 2 on page 13-14 shows details of bank deposits and investments.
  - ❖ Note 3 on page 15 shows the detail of capital assets.
  - ❖ Note 5 on page 16 shows the detail of long-term liabilities which only includes compensated absences.
  - ❖ Note 13 on page 18 shows the detail of the outstanding AIP grants at year end.
  - ❖ Note 16 on page 19 covers issues related to the COVID-19 Pandemic.

# Budget to Actual


## Pages 20-21

- ❖ GAAP basis numbers adjusted to Budgetary Basis numbers on page 21.
  - ❖ Removes items that are not budgeted
- ❖ Actual Budgetary Basis numbers are then compared to Budgeted Amounts on page 20.
  - ❖ Budgeted a loss of \$2.97 million but the actual results were \$5.65 million higher with an income of \$2.68 million.

Questions?



# Air Traffic Control Tower Replacement

- ▶ Request for Proposals
    - Due in July
      - Raytheon|Frequentis
      - Saab
      - Searidge
  - ▶ Interviews – Oct. 20
  - ▶ Committee meeting Monday, Dec. 6
    - Final discussion and deliberations
  - ▶ Recommendation: Raytheon|Frequentis
- 

# Air Traffic Control Tower Replacement

- ▶ Two remote tower systems currently under evaluation in the US for the Department of Defense
  - Homestead AFB, Florida
  - Moodie AFB, Georgia
- ▶ Operational remote tower center in Europe
  - Leipzig, Germany
  - Supporting multiple airports
- ▶ Developed and deployed FAA certified equipment and technologies into the National Airspace System (NAS)
  - Standard Terminal Automations Replacement System (STARS)
    - Over 800 Terminal Radar Approach Control (TRACON) and Air Traffic Control Tower (ATCT) facilities in the US
    - NAS Certified Federal Contract Tower (FCT) Minimum Equipment List (MEL) components

# Air Traffic Control Tower Replacement

- ▶ One of largest FAA and military equipment and technology vendors
  - Extensive experience working with the FAA at all levels
- ▶ Integrated STARS radar data at Homestead AFB rTWR system
- ▶ Understanding of the unique challenges of the Friedman Memorial Airport
  - Multi-day site survey and visit
- ▶ Cost proposal
  - Competitive for permanent control facility and recurring costs
  - Details costs as part of contract negotiations

# Air Traffic Control Tower Replacement

- ▶ Discussion
- ▶ Action – accept recommendation of selection committee of Raytheon|Frequentis as rTWR vendor partner and initiate contract negotiations with same



# Action Continuing Business

None





# Discussion and Updates

## New Business

# FMAA Board Officer Positions

- ▶ Chairmanship
- ▶ Vacant County Position
- ▶ Discussion



# Discussion and Updates

## Continuing Business

# Miscellaneous

# Airport Minimum Standards and Rules and Regulations

## Update

# Minimum Standards Project

- ▶ Stakeholder Meeting #1
  - Tuesday, Dec. 14 at 5:30 pm
  - Virtual format
  
- ▶ Stakeholder Meeting #2
  - Tuesday, Jan. 4 at 4:00 pm
  - Virtual format
  
- ▶ Meeting details at [www.iflysun.com](http://www.iflysun.com)

# Minimum Standards Project

## ▶ Next steps

- Send DRAFT to FAA (Board concurrence)
- Incorporate FAA and stakeholder input

## ▶ FMAA Review/Discussion

- February 1
- March 1 (adoption)
  - Pending Board Approval

## ▶ Project details at: [www.iflysun.com](http://www.iflysun.com)

# In-House Parking Operations

- ▶ Proposal to bring parking operations in-house
- ▶ Addresses:
  - Continued staffing issues
  - Offers greater operational control
    - Flexibility
    - Communication
  - Provides cost efficiencies
    - Over \$50k annually
- ▶ Reviewed and discussed with Finance Committee
- ▶ Next steps
  - February action item



# Construction and Capital Projects

# Airport Planning Projects

# Environmental Assessment (Land Acquisition)

## Update

# Terminal Area Plan

## Update



# Public Comment

# Executive Session

I.C. §74-206 (c) To acquire an interest in real property which is not owned by a public agency



Thank You!

