



Friedman Memorial Airport Authority

Regular Board Meeting

January 2, 2024





Approve Agenda



Public Comment

(10 Minutes)



Approval of Meeting Minutes

November 14, 2023 Regular Meeting



Action

New Business

FY2023 Annual Audit and Financials

- ▶ Audit – Troy Earl
 - Harris & Company
- ▶ Financials – Laurie Harberd
 - Rexroat, Harberd & Associates

Friedman Memorial Airport Authority

Year Ended September 30, 2023

A Presentation of the Financial Statements
and Audit Results



Helping you succeed, financially and beyond.

Discussion Topics

Audit Overview

Significant Items and Conclusions

Financial Overview and Metrics

Other Required Communications

Questions

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

Audit Overview

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

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

Audit Timeline – Planning began October 2023, with fieldwork being performed November 13th through 16th and reporting completed on January 2, 2024.

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Audit Overview

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

PLANNING

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

FIELDWORK

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

REPORTING

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

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Significant Audit Items

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

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

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

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

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

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

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Significant Audit Items (Continued)

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

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

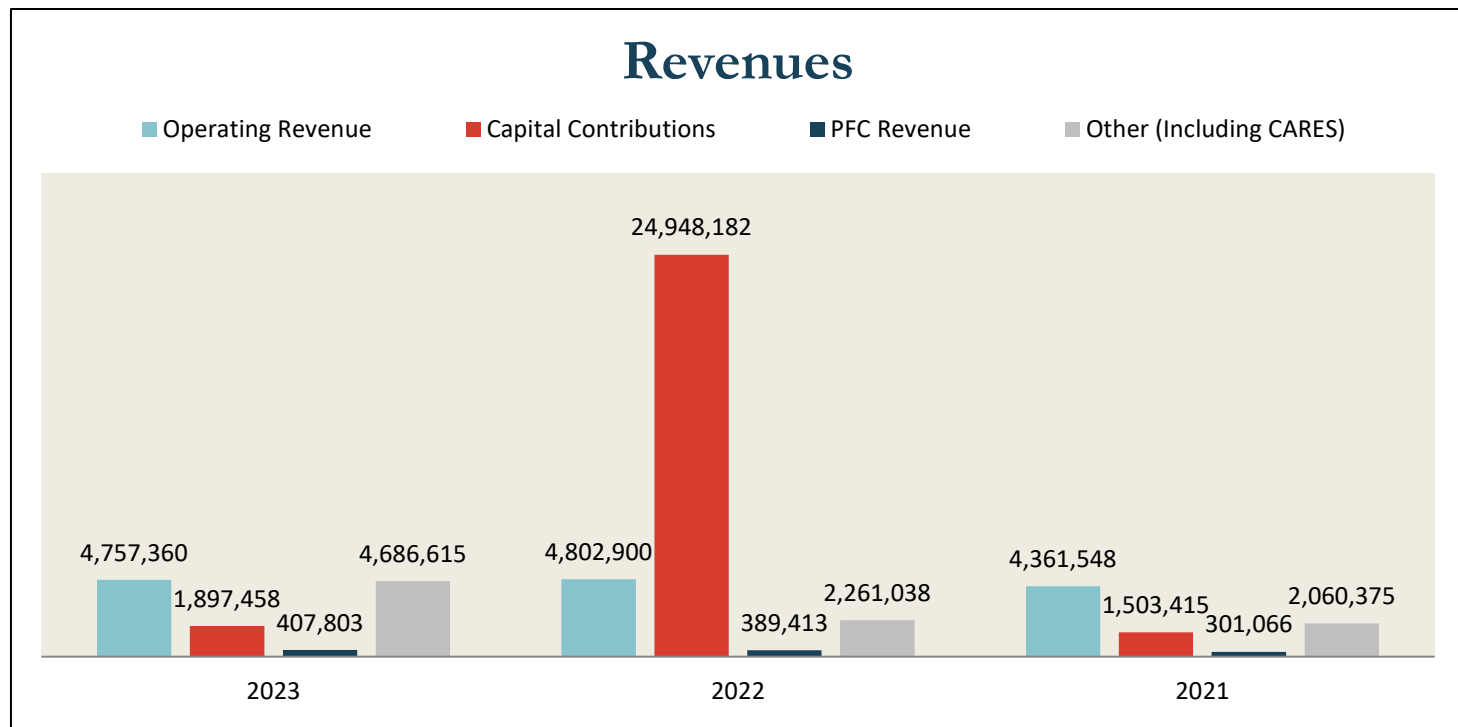
Net Position Classification – Reviewed the reporting and disclosure of restricted net position

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

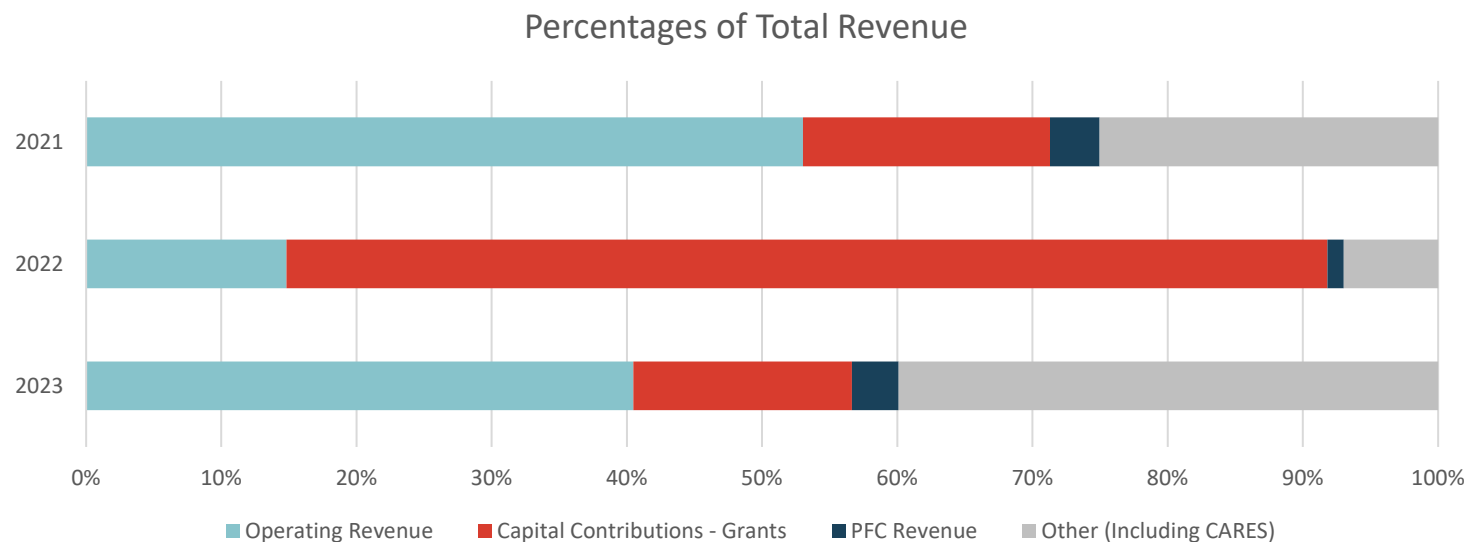
Fraud Considerations

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Financial Overview - Metrics



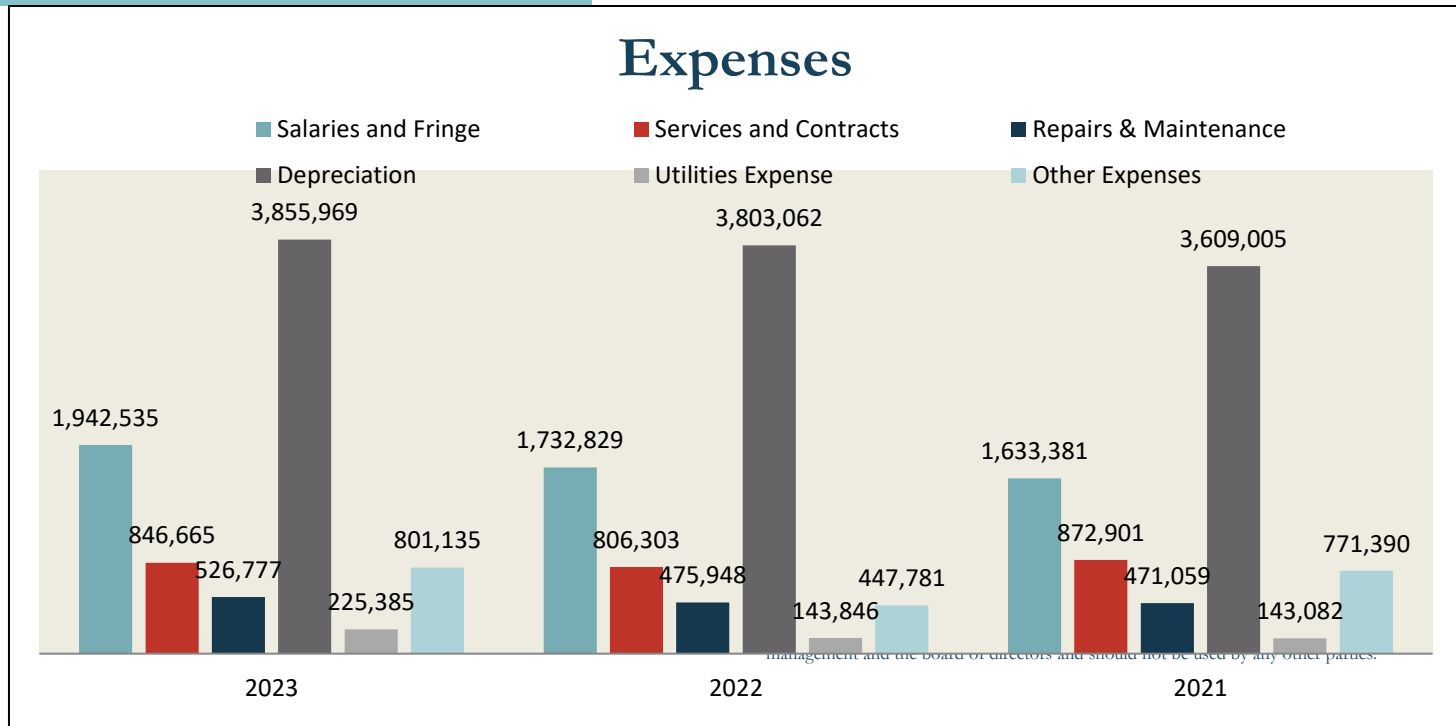
Financial Overview – Metrics



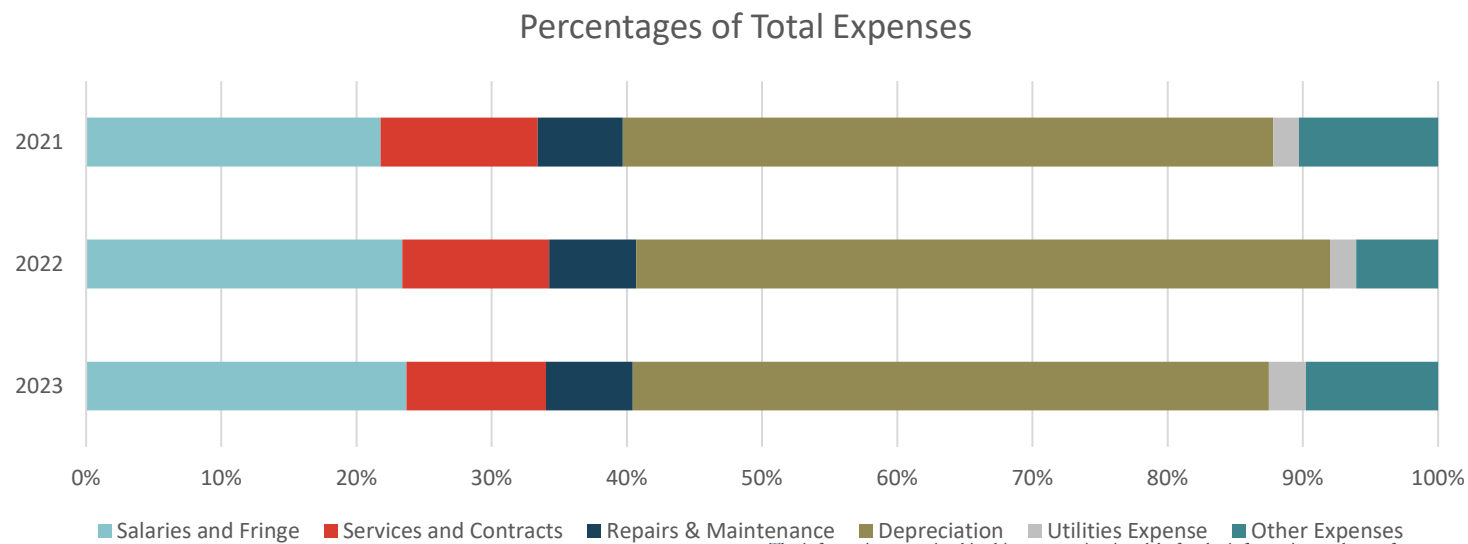
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Shows revenue by source

Financial Overview – Metrics



Financial Overview – Metrics



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Other Communications

Communication with Those Charged with Governance

Significant accounting policies – discussed in significant audit slide.

No disagreement with management and no consultation with other auditors.

No journal entries were proposed by the auditors.

Communication of Significant Deficiencies and Material Weaknesses

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

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Questions



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Friedman Memorial Airport Authority

Presentation of Financial Statements for the
Year Ended September 30, 2023

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

Reasons for Year-End Adjustments

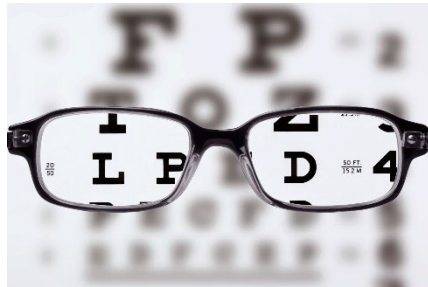
- ▶ Monthly financial statements are prepared through QuickBooks on a modified accrual basis.
 - ▶ Receivables and payables are accrued monthly but full accrual adjustments are not made until year-end. This provides for better operating information on a monthly basis.
- ▶ Full accrual accounting in accordance with governmental accounting standards 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
 - ▶ GASB 87 Lease standard requires moving lease payments received and lease payments paid to respective asset and liability accounts

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 4.2% to \$87 million
 - ❖ Unrestricted portion of Net Position increased 60.8% to \$17.9 million
- ❖ Statements of Revenue, Expenses and Changes in Net Position, page 9
 - ❖ Operating loss increased by 13.2% to \$2.9 million
 - ❖ Capital contributions from federal and state grants decreased 87.9% to \$3 million
- ❖ Statements of Cash Flows, page 10
 - ❖ Breaks down the cash flows from and used by various activities that resulted in a 73.8% increase in cash to \$14.3 million

Notes to Financial Statements

Pages 11-21

- ❖ Notes give more detailed information about the numbers in the financial statements.
 - ❖ Note 1 on pages 11-13 is the Summary of Significant Accounting Policies.
 - ❖ Note 2 on page 13-15 reports bank deposits and investments.
 - ❖ Note 3 on page 15-16 reports capital assets which also includes the right to use leased assets.
 - ❖ Note 5 on page 17 reports the details of leases receivable.
 - ❖ Note 6 on page 18 reports long-term liabilities which only includes leases payable and compensated absences.
 - ❖ Note 13 on page 20 reports the outstanding AIP grants at year end.

Budget to Actual

Pages 22-23

- ❖ GAAP basis numbers adjusted to Budgetary Basis numbers on page 23.
 - ❖ Removes items that are not budgeted as shown at the bottom of the schedule.
- ❖ Actual Budgetary Basis numbers are then compared to Budgeted Amounts on page 22
 - ❖ Final Budget showed a loss of \$6 million but the actual results were \$12.3 million higher with an income of \$6.3 million.

Questions?



FY2023 Annual Audit and Financials

ACTION REQUESTED:

Consider motion to approve Draft Financial Statements and direct Staff/Auditor to finalize for distribution to appropriate government agencies.



Reports

Reports

- ▶ Treasurer's Report
- ▶ Chair Report
- ▶ Blaine County Report
- ▶ City of Hailey Report
- ▶ Fly Sun Valley Alliance Report
- ▶ Staff Team Report

Airport Team Report

Team Updates

- ▶ Airport Director
- ▶ Deputy Director of Operations
- ▶ Deputy Director of Admin/Finance
- ▶ Airport Security Manager

Airport Activity Status

- ▶ Passenger Enplanements
 - +4.2% over November 2022
 - +9.8% YTD vs. 2022

- ▶ Operations (unofficial)
 - -4% from November 2022
 - -5.4% YTD vs. 2022
 - +17% from December 2022
 - -3.8% YTD vs. 2022

 - 2023 TOTAL: 25,239 Operations



Airport Staff Brief Questions?



Action Continuing Business

None



Discussion and Updates

New Business

None

Miscellaneous

Future Aeronautical Development RFP

Update

Future Aeronautical Development RFP

- ▶ Proposals due January 31, 2024
- ▶ www.iflysun.com

Ranch Management RFP

Update

Ranch Management RFP

- ▶ Proposals were due Dec. 14th,
 - 2 proposals received

- ▶ Selection committee review – January
 - Lisa Horowitz, City of Hailey Administrator
 - Andrew Mentzer, Blaine County Sustainability Manager
 - Tim Burke, Deputy Director, Airport Operations
 - Nick Carnes, Airport Operations Supervisor
 - Chris Pomeroy, Airport Director

- ▶ www.iflysun.com

Construction and Capital Projects

Air Traffic Control Tower Replacement Project

Update

Air Traffic Control Tower Replacement

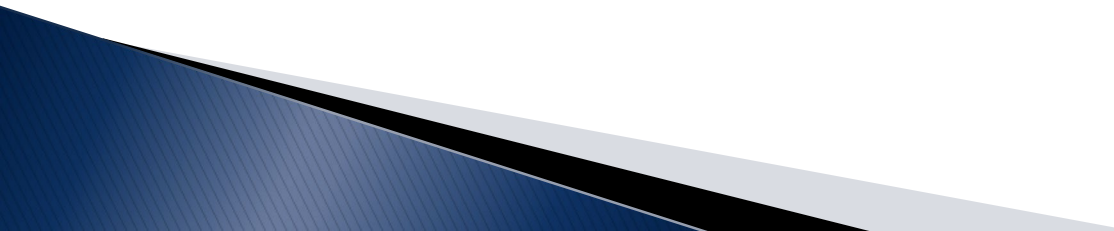
- ▶ Site selection process underway
 - Dec. 2023 site visit FAA VISTA national coordinator
 - Data collection
- ▶ Formal virtual siting exercise
 - April 2 and 3
- ▶ Later 2024
 - Environmental
 - Design
 - (maybe) initial stages of construction



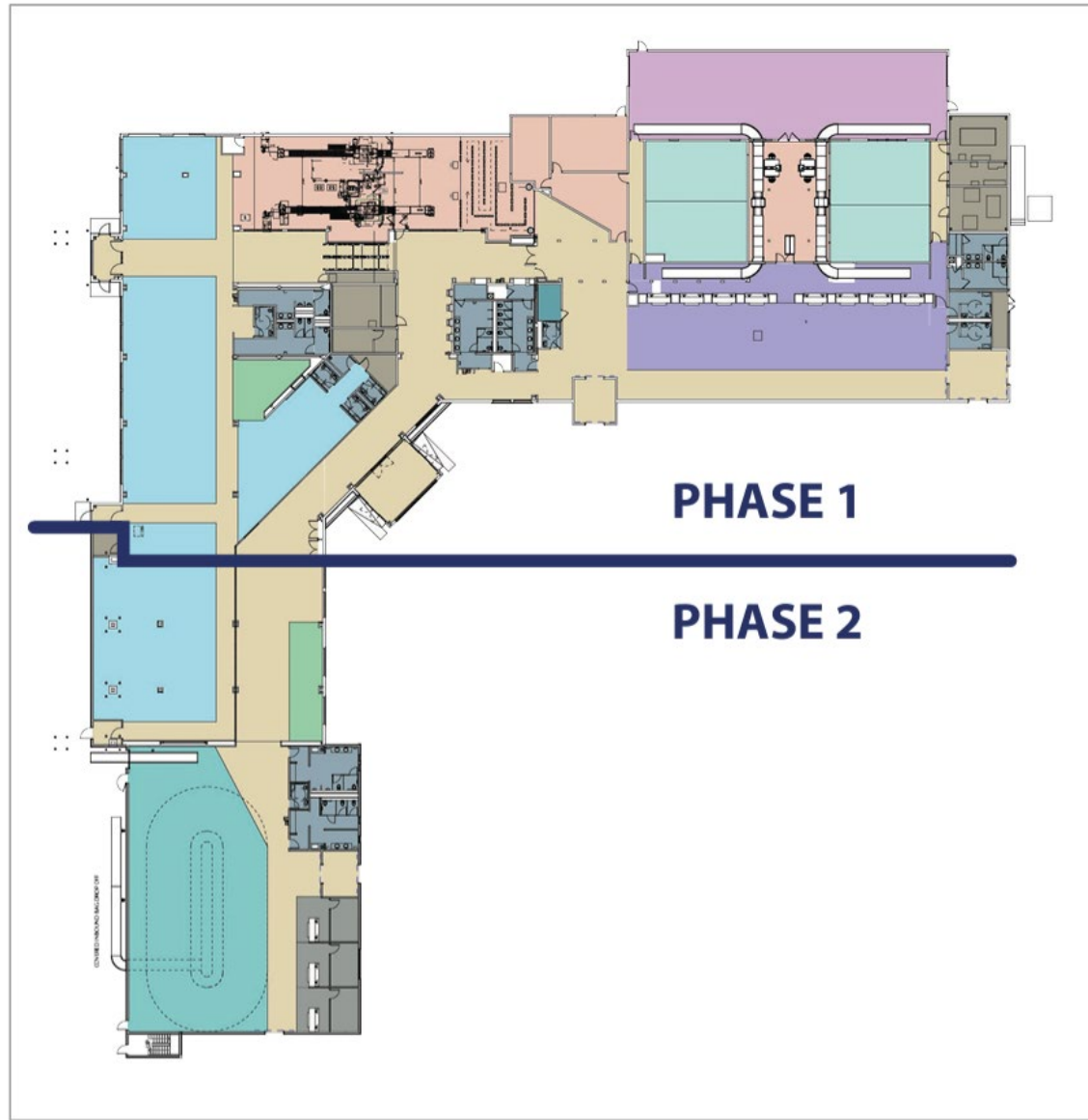
Passenger Terminal Renovation

Update

Passenger Terminal Renovation

- ▶ Coordination with FAA
 - ▶ Funding options and opportunities
 - ▶ Later 2024
 - Design
- 

Passenger Terminal Renovation



Airport Planning Projects Update

2024 Planning Projects

- ▶ Rental car “QTA” facility
 - CFC collections
- ▶ Pilot lounge and wash rack
 - GA hangars



Public Comment

Executive Session

I.C. §74-206 (1),(f) To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated



Thank You!

