

**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 8, 2019 at 5:30 p.m. at the old Blaine County Courthouse Meeting Room Hailey, Idaho. All matters shall be considered Joint Decision Matters unless otherwise noted. The proposed Agenda for the meeting is as follows:*

**AGENDA  
January 8, 2019**

- I. APPROVE AGENDA – ACTION ITEM**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
  - A. December 4, 2018 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 Manager Report
- V. AIRPORT STAFF BRIEF (5 Minutes Allotted)**
  - A. Noise Complaints
  - 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. Consideration of Change of Meeting Date – February 2019 **ACTION ITEM**
    - 2. Annual Audit of Acceptance of FMAA Financial Statements & Other Financial Information - Year Ended September 30, 2018 – **Attachment #5 ACTION ITEM**
  - B. CONTINUING BUSINESS
    - 1. NONE
- VII. DISCUSSION AND UPDATES**
  - A. NEW BUSINESS
    - 1. Discussion of FMAA Board Positions Including Independent Member
  - B. CONTINUING BUSINESS
    - 1. Construction and Capital Projects
      - i. Terminal Improvements
    - 2. Airport Planning Projects
      - i. Environmental Assessment for Runway Protection Zone and Obstruction Removal
      - ii. Instrument Approach Development
- VIII. PUBLIC COMMENT**
- IX. EXECUTIVE SESSION**
  - I.C. §74-206 (c) To acquire an interest in real property which is not owned by a public agency
  - I.C. §74-206 (f) To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated
- X. ADJOURNMENT**

**III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**  
 A. December 4, 2018 Regular Meeting – Motion to Approve - **Attachment #1**

**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 Manager Report

This item is on the agenda to permit an Airport Manager report if appropriate.

**V. AIRPORT STAFF BRIEF - (5 Minutes Allotted)**

A. Noise Complaints in December 2018

| LOCATION               | DATE       | TIME   | AIRCRAFT TYPE | INCIDENT   | ACTION/RESPONSE  |
|------------------------|------------|--------|---------------|--|--|
| Hailey<br>Della View   | 12/26/2018 | 2:19pm | Jet           | Caller stated concerns about jets running constantly at the airport today. Stated concerns about noise and air quality in Della View.            | Extremely busy day at the airport. There were departure delays at the airport with up to 4-5 aircraft holding on the north end to depart at various times, which is not uncommon during high demand periods. The Airport Manager was in constant coordination with the tower and Salt Lake Center to ensure departure windows were accounted for to move aircraft out as fast, safe, and efficiently as possible. Tower and Center were on the ball and did the best they could.<br><br>The caller stated that his complaint did not require a follow up response. |
| Hailey<br>Little Indio | 12/27/2018 | 6:21pm | Jet           | Caller stated concerns of a high-pitched whine for several minutes. Caller stated her animals are afraid to go outside because of the jet noise. | Another busy day of activity. Nothing out of the ordinary was observed. Caller did not request a call back. Both the Airport Manager and Ops Manager have tried on several occasions in the past to contact the caller but calls and voicemails are not returned.  |

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 - 2018 ATCT Traffic Operations data comparison by month

**Attachment #4** is 2018 Enplanement, Deplanement and Seat Occupancy data

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

**October 2018**

|  |                     |           |
|--|---------------------|-----------|
| Total Non-Federal Revenue              | October, 2018       | \$435,853 |
| Total Non-Federal Revenue              | October, 2017       | \$390,021 |
| Total Non-Federal Revenue              | FY '19 thru October | \$435,853 |
| Total Non-Federal Revenue              | FY '18 thru October | \$390,021 |
| Total Non-Federal Expenses             | October, 2018       | \$295,375 |
| Total Non-Federal Expenses             | October, 2017       | \$288,922 |
| Total Non-Federal Expenses             | FY '19 thru October | \$295,375 |
| Total Non-Federal Expenses             | FY '18 thru October | \$288,922 |
| Net Income to include Federal Programs | FY '19 thru October | \$117,604 |
| Net Income to include Federal Programs | FY '18 thru October | \$82,514  |

C. Airport Commercial Flight Interruptions (unofficial): Todd needs to update

| AIRLINE                                    | FLIGHT CANCELLATIONS | FLIGHT DIVERSIONS |
|--|----------------------|-------------------|
| December 1, 2018 through December 31, 2018 |                      |                   |
| Alaska Airlines                            | None                 | None              |
| Delta                                      | None                 | 18                |
| United                                     | 1                    | 7                 |

D. Review Correspondence

None

**VI. ACTION ITEMS (a vote may occur but is not required to be taken)**

**A. NEW BUSINESS**

**1. Consideration of Change of Meeting Date – February 2019 - ACTION ITEM**

The Idaho Association of Counties annual conference is the first week in February again this year. All of the commissioners attend this meeting. A request has been made by the Commissioners to consider a change of date or the February meeting from February 5, 2019 to February 12, 2019.

**2. Consideration of Acceptance of FMAA Financial Statements & Other Financial Information Year Ended September 30, 2018 – Attachment #5 - ACTION ITEM**

**Attachment #6** is the draft *Friedman Memorial Airport Authority Financial Statements and Other Financial Information for the Year Ended September 30, 2018*.

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. None

**VII. DISCUSSION AND UPDATES**

**A. NEW BUSINESS**

**1. Discussion of FMAA Board Positions Including Independent Member**

The two-year term for the FMAA Independent Board Member position expired on December 31. Staff is requesting discussion and direction from the Board for how to proceed with the independent member position.

Also, this is a friendly reminder that election of Board Officers is due at the March meeting.

**B. CONTINUING BUSINESS**

**1. Construction and Capital Projects**

**i. Terminal Improvements**

Staff has still not received word from FAA regarding our application for Supplemental Discretionary funds for terminal improvements, including an expanded security checkpoint and secure holdroom. The latest update received was that the FAA ADO offices are reviewing requests in January with notifications to applicants in February. Still will keep the Board advised on any new information.

**2. Airport Planning Projects**

**i. Environmental Assessment for Runway Protection Zone and Obstruction Removal**

The Environmental Assessment (EA) process continues to move forward. The 4(f) evaluation (Appendix G of the EA) has been accepted by the FAA. Chapters 1 through 5, which represents the entire body of the draft EA, has been sent to the FAA for review.

FAA review of the Draft EA is required before the document is distributed to the public. A 30-day public comment period is anticipated for this EA. Near the end of the comment period, a public hearing will be held before the EA process is completed.

**ii. Instrument Approach Development**

The airport will be moving forward with Flight Tech Engineering for the completion of a feasibility study to analyze approach improvement options for the E-175 regional jet. This is the most prudent and efficient path forward to explore potential options here at SUN. It is anticipated the study will take 2-3 months to complete.

**VIII. PUBLIC COMMENT**

**IX. EXECUTIVE SESSION - I.C. §74-206 (c)**

**To acquire an interest in real property which is not owned by a public agency**

**I.C. §74-206 (f)**

**To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated**

**X. ADJOURNMENT**

ATTACHMENT 1

**MINUTES OF A REGULAR MEETING  
OF THE  
FRIEDMAN MEMORIAL AIRPORT AUTHORITY\***

**December 4, 2018  
5:30 P.M.**

**IN ATTENDANCE:**

**BOARD MEMBERS:** Chairman – Don Keirn, Vice-Chairman – Jacob Greenberg, Secretary - Lawrence Schoen, Treasurer – Ron Fairfax, Board - Fritz Haemmerle, Angenie McCleary, Pat Cooley

**FRIEDMAN MEMORIAL AIRPORT STAFF:** Airport Manager – Chris Pomeroy, Contracts/Finance Administrator – Lisa Emerick, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Airport Operations Manager – Todd Emerick; Administrative Assistant/Alternate Security Coordinator – Roberta Christensen, Administrative Assistant – Cecilia Vega, Airport Office Coordinator – Tessa Baker, Sue Heaphy

**CONSULTANTS:** T-O Engineers – Nathan Cuvala; Centerlyne – Sarah Shepard, Candace Crew; Mead & Hunt – Mark McFarland, Ron McNeil; Flight Tech Engineering – Alec Seybold

**AIRPORT TENANTS/PUBLIC:** Fly Sun Valley Alliance – Carol Waller; Blaine County – Dick Fosbury

**AIRPORT LEGAL COUNSEL:** Lawson Laski Clark & Pogue, PLLC – Jim Laski

**PRESS:** Idaho Mountain Express – Alejandra Buitrago

**CALL TO ORDER:**

The meeting was called to order at 5:31 p.m. by Chairman Keirn.

**I. APPROVE AGENDA**

The agenda was approved as presented.

**II. PUBLIC COMMENT**

No public comment was made.

**III. APPROVE FMAA  
MEETING MINUTES**

- A. **October 2, 2018 Regular Meeting Minutes**
- B. **October 24, 2018 Special Meeting Minutes**
- C. **November 6, 2018 Regular Meeting Minutes**

**MOTION:**

*Made by Board Member Haemmerle to approve the October 2, 2018, October 24, 2018, and November 6, 2018 meeting minutes as amended. Seconded by Vice-Chairman Greenberg.*

**PASSED UNANIMOUSLY**

**IV. REPORTS**

**A. Chairman Report**

No report was given.

**B. Blaine County Report**

No report was given.

**C. City of Hailey Report**

No report was given.

**D. Fly Sun Valley Alliance Report (see Power Point Presentation)**

Fly Sun Valley Alliance (FSVA) representative, Carol Waller, introduced Ron McNeil,

Senior Consultant from Mead & Hunt to present an overview of the current Airline Industry Trends, Resort Area Air Service Trends, and SUN Air Service Market – History and Trends.

The Board discussed technical aspects of Airport Consultant McNeil's presentation including clarification of the impact of flights available seats, fuel price impact, and market reaction time frames.

**E. Airport Manager Report (see Power Point Presentation)**

Airport Manager Pomeroy briefed the Board on the following:

- The tower planning project continues. Mr. Bill Payne, William E. Payne & Associates, Inc., is currently in Washington, D.C. and is meeting with the FAA on behalf of the Airport.
- The Airport Manager was recently in Denver and toured the Denver Northern Colorado Regional airport's pilot remote tower that is similar to the remote tower in Leesburg, Virginia.
- The Airport is conducting an Active Shooter/Attack Training on Wednesday, December 5, 2018. Key participants include the Hailey Police Department, Blaine County Sheriff's Office, St. Luke's Hospital, as well as the Airport's tenants and staff.
- The Airport Manager reported on setbacks with snow removal equipment as both critical runway brooms are not operational and are being evaluated by the Airport's Fleet Manager.
- The Board should anticipate a presentation at the January meeting regarding the Airport Financial Statements and results of the annual independent audit.
- The annual Airport Holiday party will be held on December 7, 2018 at 6:30 p.m. at the Airport Terminal.
- A Retirement Party for long time employee, Roberta Christensen will be held on December 27, 2018 at The Mint in Hailey, from 5:30 p.m. to 7:30 p.m. Airport Contracts/Finance Administrator Emerick commended Mrs. Christensen on her career at the airport.
- Introductions of the new Administrative staff members, Ms. Sue Heaphy and Ms. Tessa Baker, were made.

**V. AIRPORT STAFF BRIEF**

**A. Noise Complaints (See Brief)**

**B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data (See Brief)**

**C. Airport Commercial Flight Interruptions (See Brief)**

**D. Review Correspondence (See Brief)**

**VI. ACTION ITEMS**

**A. NEW BUSINESS (See Brief & Power Point)**

1. Consideration to change the regularly scheduled FMAA meeting from January 1, 2019 to January 8, 2019

**MOTION:**

***Made by Board Member Haemmerle to change the regularly scheduled Board meeting from January 1, 2019 to January 8, 2019. Seconded by Board Member McCleary.***

**PASSED UNANIMOUSLY**

## **B. CONTINUING BUSINESS**

### **1. Snow Removal Equipment (SRE) Recommendation of Award – Consideration of Motion to Approve**

Airport Manager Pomeroy briefed the Board that the Federal Aviation Administration (FAA) has deemed J.A. Larue's bid as non-responsive since it does not meet the FAA's Buy American requirements and the company is not able to obtain the requested Type III waiver. As a result, the Airport Manager requested that the Board approve Oshkosh Airport Products, LLC., as the successful bidder.

Vice-Chairman Greenberg inquired about the FAA's Buy American, Type III Waiver request from Oshkosh. Airport Manager Pomeroy responded that Oshkosh submitted the Type III Waiver documentation to the FAA and it was approved.

**MOTION:** *Made by Board Member Haemmerle to award Oshkosh Airport Projects, LLC in the amount of \$545,213 subject to FAA concurrence for purchase of the Snow Removal Equipment (SRE). Seconded by Board Member Fairfax.*

**PASSED UNANIMOUSLY**

### **2. Additional Continuing Business Action After Executive Session**

## **VII. DISCUSSION AND UPDATES**

### **A. NEW BUSINESS (See PowerPoint Presentation)**

#### **1. Instrument Approach Presentation – Flight Tech Engineering**

Airport Manager Pomeroy introduced Alec Seybold, Airport and Airspace Analyst at Flight Tech Engineering. Flight Tech Engineering and Mr. Seybold specialize in the development of instrument approach procedures. Based on the discussion and questions from the Board at the November meeting about approach procedure development at SUN, Airport Manager Pomeroy invited Mr. Seybold to present and answer questions at the meeting.

Mr. Seybold delivered a presentation summarizing the qualifications of Flight Tech Engineering and some of the technical aspects of completing a feasibility analysis for SUN. The Board had several questions for Mr. Seybold including what is the cost for the feasibility study. Mr. Seybold responded the estimated cost is \$21,500 and, if a new approach is proven feasible, the full design and development of the procedure is estimated to cost around \$60,000. When asked if the approach would be available to general aviation users, Mr. Seybold responded it could be, but the primary focus will be on the E-175 regional jet operated by Delta and United Airlines.

Discussion about cost of the feasibility study and follow-on full development of an approach ensued. Airport Manager advised the Board that Delta Airlines has expressed some interest in funding the feasibility study, but their financial support was not certain at this time. The Board asked if Delta paid for the feasibility study, would other airlines be able to use it. Airport Manager responded if Delta paid for the study it would likely be available only to Delta Airlines, as it would be their property.

Airport Manager Pomeroy commented that the feasibility study is the first critical step to determine what technically can be done at the airport and the goal is to coordinate with the airlines to incorporate their capabilities into the study.

Chairman Keirn directed the Airport Manager to continue to explore the best options to keep the process moving forward, including possible funding by Delta.



**B. CONTINUING BUSINESS**

**1. Construction and Capital Projects**

**i. Terminal Improvements**

Airport Manager Pomeroy briefed the Board on the status of the Supplemental Discretionary grant request submitted to the FAA for terminal security checkpoint and holdroom expansions. He advised that the FAA was trying to make notification to grant applicants by mid-December and he would provide an update at the January meeting.

In the meantime, Airport Manager Pomeroy once again reiterated the importance of the flight schedule for summer 2019 to alleviate capacity issues with TSA screening delays and holdroom occupancy requirements. He advised that coordination with FSVA, TSA, and the airlines to address these potential issues next summer is ongoing.

**2. Airport Planning Projects**

**i. Environmental Assessment for Runway Protection Zone and Obstruction Removal**

Airport Manager Pomeroy briefed the Board on the Environmental (EA) status and commented that the consultants have received positive feedback from the FAA and revised Chapter 1 – Background and Proposed Action, Chapter 2 – Purpose and Need, and Chapter 3 – Alternatives. These Chapters will be submitted to the FAA by December 7. The Board should anticipate a draft copy of the EA as soon as it is complete, and a public meeting will be scheduled to present the findings.

**VIII. PUBLIC COMMENT**

No public comment

**IX. EXECUTIVE SESSION – MOTION:  
I.C. §74-206 (c)(f)**

***Made by Vice-Chairman Greenberg to enter into executive session pursuant to Idaho Code §74-206 paragraph (c) to acquire an interest in real property and paragraph (f) to communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated. Seconded by Board Member Haemmerle.***

**ROLL CALL VOTE:**

|                               |            |
|-------------------------------|------------|
| <b>Chairman Fairfax</b>       | <b>Yes</b> |
| <b>Vice-Chairman Keirn</b>    | <b>Yes</b> |
| <b>Board Member Greenberg</b> | <b>Yes</b> |
| <b>Board Member Schoen</b>    | <b>Yes</b> |
| <b>Board Member Haemmerle</b> | <b>Yes</b> |
| <b>Board Member McCleary</b>  | <b>Yes</b> |
| <b>Board Member Cooley</b>    | <b>Yes</b> |

**PASSED UNANIMOUSLY**

**X. ACTION ITEMS -  
Continued**

**B. CONTINUING BUSINESS**

1. Proceeding to make earnest money deposit under terms of PSA with Flying Hat Ranch, LLC.

**MOTION:** ***Made by Board Member Schoen to authorize the***

*deposit of earnest money into an escrow account with Blaine County Title in the amount of \$400,000 under the terms of the purchase and sale agreement between Friedman Memorial Airport and Eccles Flying Hat Ranch, LLC., for the acquisition of land for the Runway Protection Zone consisting of plus or minus 64.6 acres. Seconded by Vice-Chairman Greenberg.*

**ROLL CALL VOTE:**

|                                |            |
|--------------------------------|------------|
| <b>Chairman Keirn</b>          | <b>Yes</b> |
| <b>Vice-Chairman Greenberg</b> | <b>Yes</b> |
| <b>Board Member Schoen</b>     | <b>Yes</b> |
| <b>Board Member Fairfax</b>    | <b>Yes</b> |
| <b>Board Member McCleary</b>   | <b>Yes</b> |
| <b>Board Member Haemmerle</b>  | <b>Yes</b> |
| <b>Board Member Cooley</b>     | <b>Yes</b> |

**IX. ADJOURNMENT**

The December 4, 2018 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at approximately 7:15 p.m.

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Lawrence Schoen, 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 '19)**  
**October 2018**

|  | Oct 18     | Budget     | \$ Over Budget | % of Budget |
|--|------------|------------|----------------|-------------|
| <b>Total 4070-00 · TRANSIENT LANDING FEES REVENUE</b>  | 218.82     |            |                |             |
| <b>4080-00 · HANGAR REVENUE</b>                        |            |            |                |             |
| 4080-01 · Land Lease - Hangar                          | 142,158.15 | 151,837.50 | -9,679.35      | 93.6%       |
| 4080-02 · Land Lease - Hangar/Trans. Fee               | 2,296.25   | 0.00       | 2,296.25       | 100.0%      |
| 4080-03 · Hangar/Utilities (E8,11,24)                  | 0.00       | 450.00     | -450.00        | 0.0%        |
| 4080-05 · Land Lease - FMA Hangar Rentals              | 296.70     | 8,750.00   | -8,453.30      | 3.4%        |
| <b>Total 4080-00 · HANGAR REVENUE</b>                  | 144,751.10 | 161,037.50 | -16,286.40     | 89.9%       |
| <b>4090-00 · TIEDOWN PERMIT FEES REVENUE</b>           |            |            |                |             |
| 4090-01 · Tiedown Permit Fees (FMA)                    | 13,290.50  | 10,000.00  | 3,290.50       | 132.9%      |
| <b>Total 4090-00 · TIEDOWN PERMIT FEES REVENUE</b>     | 13,290.50  | 10,000.00  | 3,290.50       | 132.9%      |
| <b>4100-00 · CARGO CARRIERS REVENUE</b>                |            |            |                |             |
| 4100-01 · Cargo Carriers - Landing Fees                | 955.52     | 800.00     | 155.52         | 119.4%      |
| 4100-02 · Cargo Carriers - Tiedown                     | 1,485.00   | 3,000.00   | -1,515.00      | 49.5%       |
| <b>Total 4100-00 · CARGO CARRIERS REVENUE</b>          | 2,440.52   | 3,800.00   | -1,359.48      | 64.2%       |
| <b>4110-00 · MISCELLANEOUS REVENUE</b>                 |            |            |                |             |
| 4110-01 · Misc. Revenue                                | 56.14      |            |                |             |
| 4110-05 · Misc. Incident/Accident                      | 0.00       |            |                |             |
| <b>Total 4110-00 · MISCELLANEOUS REVENUE</b>           | 56.14      |            |                |             |
| <b>4120-00 · GROUND TRANSP. PERMIT REVENUE</b>         |            |            |                |             |
| 4120-01 · Ground Transportation Permit                 | 0.00       | 0.00       | 0.00           | 0.0%        |
| 4120-02 · GTSP - Trip Fee                              | 440.00     | 416.74     | 23.26          | 105.6%      |
| <b>Total 4120-00 · GROUND TRANSP. PERMIT REVENUE</b>   | 440.00     | 416.74     | 23.26          | 105.6%      |
| <b>4400-00 · TSA/SECURITY</b>                          |            |            |                |             |
| 4400-02 · Terminal Lease                               | 3,363.75   | 3,365.00   | -1.25          | 100.0%      |
| 4400-03 · Security Prox. Cards                         | 17,690.00  | 15,000.00  | 2,690.00       | 117.9%      |
| <b>Total 4400-00 · TSA/SECURITY</b>                    | 21,053.75  | 18,365.00  | 2,688.75       | 114.6%      |
| <b>4510-00 · DOT/Small Community Air Service</b>       |            |            |                |             |
| 4510-01 · Small Community Air Service                  | 0.00       | 369,700.00 | -369,700.00    | 0.0%        |
| <b>Total 4510-00 · DOT/Small Community Air Service</b> | 0.00       | 369,700.00 | -369,700.00    | 0.0%        |
| <b>4520-00 · INTEREST REVENUE</b>                      |            |            |                |             |
| 4520-01 · Interest Revenue - General                   | 4,611.53   | 0.00       | 4,611.53       | 100.0%      |
| 4520-07 · Interest Revenue - '14 PFC                   | 2.33       | 4.17       | -1.84          | 55.9%       |
| <b>Total 4520-00 · INTEREST REVENUE</b>                | 4,613.86   | 4.17       | 4,609.69       | 110,644.1%  |
| 4743-00 · AIP 43 - Air Carrier /Pkg. Lot               |            |            |                |             |

7:50 AM

01/03/19

Accrual Basis

**Friedman Memorial Airport**  
**Profit & Loss Budget vs. Actual (COMBINED '19)**  
**October 2018**

|  | Oct 18           | Budget           | \$ Over Budget    | % of Budget   |
|--|------------------|------------------|-------------------|---------------|
| <b>Income</b>  |                  |                  |                   |               |
| <b>4000-00 · AIRCARRIER</b>                          |                  |                  |                   |               |
| 4000-01 · Aircarrier - Lease Space                   | 7,043.38         | 29,166.00        | -22,122.62        | 24.1%         |
| 4000-02 · Aircarrier - Landing Fees                  | 13,619.68        | 11,000.00        | 2,619.68          | 123.8%        |
| 4000-03 · Aircarrier - Gate Fees                     | 100.00           | 0.00             | 100.00            | 100.0%        |
| 4000-04 · Aircarrier - Utility Fees                  | 30.00            | 7,500.00         | -7,470.00         | 0.4%          |
| 4010-07 · Aircarrier - '14 PFC App                   | 32,612.15        | 49,600.00        | -16,987.85        | 65.8%         |
| <b>Total 4000-00 · AIRCARRIER</b>                    | <b>53,405.21</b> | <b>97,266.00</b> | <b>-43,860.79</b> | <b>54.9%</b>  |
| <b>4020-00 · TERMINAL AUTO PARKING REVENUE</b>       |                  |                  |                   |               |
| 4020-01 · Automobile Parking - Terminal              | 43,566.00        | 30,000.00        | 13,566.00         | 145.2%        |
| <b>Total 4020-00 · TERMINAL AUTO PARKING REVENUE</b> | <b>43,566.00</b> | <b>30,000.00</b> | <b>13,566.00</b>  | <b>145.2%</b> |
| <b>4030-00 · AUTO RENTAL REVENUE</b>                 |                  |                  |                   |               |
| 4030-01 · Automobile Rental - Commission             | 25,804.43        | 35,000.00        | -9,195.57         | 73.7%         |
| 4030-02 · Automobile Rental - Lease Space            | 2,357.76         | 2,345.42         | 12.34             | 100.5%        |
| 4030-03 · Automobile Rental - Auto Prkng             | 26,022.00        | 20,399.96        | 5,622.04          | 127.6%        |
| 4030-04 · Automobile Rental - Utilities              | 0.00             | 450.00           | -450.00           | 0.0%          |
| <b>Total 4030-00 · AUTO RENTAL REVENUE</b>           | <b>54,184.19</b> | <b>58,195.38</b> | <b>-4,011.19</b>  | <b>93.1%</b>  |
| <b>4040-00 · TERMINAL CONCESSION REVENUE</b>         |                  |                  |                   |               |
| 4040-01 · Terminal Shops - Commission                | 651.58           | 416.74           | 234.84            | 156.4%        |
| 4040-02 · Terminal Shops - Lease Space               | 0.00             | 0.00             | 0.00              | 0.0%          |
| 4040-03 · Terminal Shops - Utility Fees              | 0.00             | 375.00           | -375.00           | 0.0%          |
| 4040-10 · Advertising - Commission                   | 2,532.50         | 4,000.00         | -1,467.50         | 63.3%         |
| 4040-11 · Vending Machines - Commission              | 859.13           | 1,500.00         | -640.87           | 57.3%         |
| 4040-12 · Terminal ATM                               | 214.00           | 75.00            | 139.00            | 285.3%        |
| <b>Total 4040-00 · TERMINAL CONCESSION REVENUE</b>   | <b>4,257.21</b>  | <b>6,366.74</b>  | <b>-2,109.53</b>  | <b>66.9%</b>  |
| <b>4050-00 · FBO REVENUE</b>                         |                  |                  |                   |               |
| 4050-01 · FBO - Lease Space                          | 39,477.79        | 39,465.00        | 12.79             | 100.0%        |
| 4050-02 · FBO - Tiedown Fees                         | 15,338.70        | 26,000.00        | -10,661.30        | 59.0%         |
| 4050-03 · FBO - Landing Fees - Trans.                | 18,311.93        | 20,000.00        | -1,688.07         | 91.6%         |
| 4050-04 · FBO - Commission                           | 1,256.99         | 1,500.00         | -243.01           | 83.8%         |
| 4050-07 · FBO - Miscellaneous                        | 0.00             | 0.00             | 0.00              | 0.0%          |
| <b>Total 4050-00 · FBO REVENUE</b>                   | <b>74,385.41</b> | <b>86,965.00</b> | <b>-12,579.59</b> | <b>85.5%</b>  |
| <b>4060-00 · FUEL FLOWAGE REVENUE</b>                |                  |                  |                   |               |
| 4060-01 · Fuel Flowage - FBO                         | 19,190.10        | 19,000.00        | 190.10            | 101.0%        |
| <b>Total 4060-00 · FUEL FLOWAGE REVENUE</b>          | <b>19,190.10</b> | <b>19,000.00</b> | <b>190.10</b>     | <b>101.0%</b> |
| <b>4070-00 · TRANSIENT LANDING FEES REVENUE</b>      |                  |                  |                   |               |
| 4070-02 · Landing Fees - Non-Comm./Gov't             | 218.82           |                  |                   |               |

**Friedman Memorial Airport**  
**Profit & Loss Budget vs. Actual (COMBINED '19)**  
**October 2018**

|  | Oct 18     | Budget     | \$ Over Budget | % of Budget |
|--|------------|------------|----------------|-------------|
| 4743-01 · AIP 43 - Air Carrier/Pkg. Lot        | 0.00       | 0.00       | 0.00           | 0.0%        |
| Total 4743-00 · AIP 43 - Air Carrier /Pkg. Lot | 0.00       | 0.00       | 0.00           | 0.0%        |
| 4744-00 · AIP '44 RPZ Acquisition EA           |            |            |                |             |
| 4744-01 · AIP '44 - RPZ Acquisition - EA       | 0.00       | 0.00       | 0.00           | 0.0%        |
| Total 4744-00 · AIP '44 RPZ Acquisition EA     | 0.00       | 0.00       | 0.00           | 0.0%        |
| Total Income                                   | 435,852.81 | 861,116.53 | -425,263.72    | 50.6%       |
| Gross Profit                                   | 435,852.81 | 861,116.53 | -425,263.72    | 50.6%       |
| Expense  |            |            |                |             |
| EXPENDITURES                                   |            |            |                |             |
| "A" EXPENSES                                   |            |            |                |             |
| 5000-01 · Salaries - Airport Manager           | 12,364.32  | 12,364.37  | -0.05          | 100.0%      |
| 5000-02 · Salaries - Assist. Airpt. Manag      | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5010-00 · Salaries -Contracts/Finance Adm      | 10,249.06  | 8,867.37   | 1,381.69       | 115.6%      |
| 5010-01 · Salaries - Office Assist.            | 11,814.41  | 17,451.91  | -5,637.50      | 67.7%       |
| 5010-02 · Salaries - Public Info Officer       | 0.00       | 2,916.67   | -2,916.67      | 0.0%        |
| 5020-00 · Salaries - ARFF/OPS Manager          | 9,179.60   | 8,585.25   | 594.35         | 106.9%      |
| 5030-00 · Salaries - ARFF/OPS Specialist       | 36,043.52  | 35,205.49  | 838.03         | 102.4%      |
| 5040-00 · Salaries-ASC/Sp.Prjct./Ex. Assi      | 6,948.76   | 6,604.92   | 343.84         | 105.2%      |
| 5050-00 · Salaries-Seasonal-Snow Removal       | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5050-01 · Salaries - Seasonal - Arpt Host      | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5050-02 · Salaries - Merit Increase            | 0.00       | 5,378.49   | -5,378.49      | 0.0%        |
| 5060-01 · Overtime - General                   | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5060-02 · Overtime - Snow Removal              | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5060-04 · OT - Security                        | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5070-05 · Compensated Absenses Accrued         | 0.00       | 0.00       | 0.00           | 0.0%        |
| 5100-00 · Retirement                           | 10,054.22  | 13,315.74  | -3,261.52      | 75.5%       |
| 5110-00 · Social Security/Medicare             | 6,399.07   | 9,019.00   | -2,619.93      | 71.0%       |
| 5120-00 · Life Insurance                       | 152.97     | 166.67     | -13.70         | 91.8%       |
| 5130-00 · Medical Insurance                    | 1,074.79   | 18,375.00  | -17,300.21     | 5.8%        |
| 5160-00 · Workman's Compensation               | 0.00       | 1,333.00   | -1,333.00      | 0.0%        |
| Total "A" EXPENSES                             | 104,280.72 | 139,583.88 | -35,303.16     | 74.7%       |
| "B" EXPENDITURES                               |            |            |                |             |
| "B" EXPENSES - ADMINISTRATIVE                  |            |            |                |             |
| 6000-00 · TRAVEL EXPENSE                       |            |            |                |             |
| 6000-01 · Travel                               | 91.68      | 1,800.00   | -1,708.32      | 5.1%        |
| Total 6000-00 · TRAVEL EXPENSE                 | 91.68      | 1,800.00   | -1,708.32      | 5.1%        |
| 6010-00 · SUPPLIES/EQUIPMENT EXPENSE           |            |            |                |             |
| 6010-01 · Supplies - Office                    | 1,432.49   | 916.00     | 516.49         | 156.4%      |
| 6010-03 · Supplies - Computer                  | 3,155.20   | 1,083.00   | 2,072.20       | 291.3%      |

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Accrual Basis

**Friedman Memorial Airport**  
**Profit & Loss Budget vs. Actual (COMBINED '19)**  
**October 2018**

|   | Oct 18    | Budget    | \$ Over Budget | % of Budget |
|---|-----------|-----------|----------------|-------------|
| <b>Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE</b> | 4,587.69  | 1,999.00  | 2,588.69       | 229.5%      |
| <b>6020-00 · INSURANCE</b>                        |           |           |                |             |
| 6020-01 · Insurance - Liability                   | 9,401.00  | 50,692.00 | -41,291.00     | 18.5%       |
| 6020-03 · Insurance-Bldg/Unlic.Veh./Prop          | 15,945.00 |           |                |             |
| <b>Total 6020-00 · INSURANCE</b>                  | 25,346.00 | 50,692.00 | -25,346.00     | 50.0%       |
| <b>6030-00 · UTILITIES</b>                        |           |           |                |             |
| 6030-01 · Utilities - Gas/Terminal                | 1,175.01  | 1,666.00  | -490.99        | 70.5%       |
| 6030-02 · Utilities - Gas/AOB & Cold Stor         | 401.00    | 791.00    | -390.00        | 50.7%       |
| 6030-03 · Utilities - Elect./Runway&PAPI          | 556.47    | 683.00    | -126.53        | 81.5%       |
| 6030-04 · Utilities - Elec./AOB & Cold St         | 695.02    | 791.00    | -95.98         | 87.9%       |
| 6030-05 · Utilities - Electric/Terminal           | 3,032.50  | 3,500.00  | -467.50        | 86.6%       |
| 6030-06 · Utilities - Telephone                   | 1,348.79  | 1,333.00  | 15.79          | 101.2%      |
| 6030-07 · Utilities - Water                       | 1,121.92  | 1,333.00  | -211.08        | 84.2%       |
| 6030-08 · Utilities - Garbage Removal             | 1,465.95  | 833.00    | 632.95         | 176.0%      |
| 6030-09 · Utilities - Sewer                       | 340.47    | 333.00    | 7.47           | 102.2%      |
| 6030-11 · Utilities - Electric/Tower              | 360.23    | 525.00    | -164.77        | 68.6%       |
| 6030-12 · Utilities - Elec./Brdfrd.Hghl           | 34.13     | 41.00     | -6.87          | 83.2%       |
| 6030-13 · Utilities - Elec. Exit Booth            | 199.98    |           |                |             |
| 6030-15 · Utilities - Elec/AWOS                   | 305.79    | 283.00    | 22.79          | 108.1%      |
| 6030-16 · Utilities - Elec. Wind Cone             | 9.95      | 12.50     | -2.55          | 79.6%       |
| 6030-17 · Utilities - Elec./Gas- Hangar           | 297.70    | 383.00    | -85.30         | 77.7%       |
| 6030-18 · Utilities - Lubricant Wst. Dspl         | 0.00      | 41.66     | -41.66         | 0.0%        |
| <b>Total 6030-00 · UTILITIES</b>                  | 11,344.91 | 12,549.16 | -1,204.25      | 90.4%       |
| <b>6040-00 · SERVICE PROVIDER</b>                 |           |           |                |             |
| 6040-02 · Service Provider - Term. Serv.          | 128.00    | 575.00    | -447.00        | 22.3%       |
| 6040-03 · Service Provider - AOB Services         | 4,630.27  | 3,608.00  | 1,022.27       | 128.3%      |
| 6040-04 · Service Provider - Operations           | 13,350.00 | 1,362.00  | 11,988.00      | 980.2%      |
| <b>Total 6040-00 · SERVICE PROVIDER</b>           | 18,108.27 | 5,545.00  | 12,563.27      | 326.6%      |
| <b>6050-00 · PROFESSIONAL SERVICES</b>            |           |           |                |             |
| 6050-01 · Professional Services - Legal           | 5,120.00  | 4,166.00  | 954.00         | 122.9%      |
| 6050-02 · Professional Serv. - Audit/Fina         | 0.00      | 0.00      | 0.00           | 0.0%        |
| 6050-03 · Professional Services - Enginee         | 5,587.00  | 1,250.00  | 4,337.00       | 447.0%      |
| 6050-05 · Professional Services - Gen.            | 0.00      | 833.00    | -833.00        | 0.0%        |
| 6050-10 · Prof. Svcs.-IT/Comp. Support            | 879.75    | 1,250.00  | -370.25        | 70.4%       |
| 6050-12 · Prof. Serv.- Planning Air Serv.         | 256.25    | 0.00      | 256.25         | 100.0%      |
| 6050-13 · Prof. Serv.-Website Des.& Maint         | 0.00      | 333.00    | -333.00        | 0.0%        |
| 6050-15 · Prof. Serv.-Comm.Coord/Pub.Outr         | 0.00      | 3,916.00  | -3,916.00      | 0.0%        |
| 6050-17 · Prof. Serv. - Airspace Consult.         | 718.10    | 0.00      | 718.10         | 100.0%      |
| <b>Total 6050-00 · PROFESSIONAL SERVICES</b>      | 12,561.10 | 11,748.00 | 813.10         | 106.9%      |
| <b>6060-00 · MAINTENANCE-OFFICE EQUIPMENT</b>     |           |           |                |             |
| 6060-04 · Maintenance - Copier                    | 182.21    | 208.00    | -25.79         | 87.6%       |

**Friedman Memorial Airport**  
**Profit & Loss Budget vs. Actual (COMBINED '19)**  
**October 2018**

|  | Oct 18           | Budget           | \$ Over Budget   | % of Budget   |
|--|------------------|------------------|------------------|---------------|
| 6060-05 · Maintenance - Phone                          | 0.00             | 104.00           | -104.00          | 0.0%          |
| <b>Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT</b>    | <b>182.21</b>    | <b>312.00</b>    | <b>-129.79</b>   | <b>58.4%</b>  |
| 6070-00 · RENT/LEASE OFFICE EQUIPMENT                  |                  |                  |                  |               |
| 6070-02 · Rent/Lease - Postage Meter                   | 0.00             | 0.00             | 0.00             | 0.0%          |
| <b>Total 6070-00 · RENT/LEASE OFFICE EQUIPMENT</b>     | <b>0.00</b>      | <b>0.00</b>      | <b>0.00</b>      | <b>0.0%</b>   |
| 6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E              |                  |                  |                  |               |
| 6080-01 · Dues/Memberships                             | 735.68           | 500.00           | 235.68           | 147.1%        |
| 6080-04 · Publications                                 | 1,304.80         | 416.00           | 888.80           | 313.7%        |
| <b>Total 6080-00 · DUES/MEMBERSHIPS/PUBLICATION...</b> | <b>2,040.48</b>  | <b>916.00</b>    | <b>1,124.48</b>  | <b>222.8%</b> |
| 6090-00 · POSTAGE                                      |                  |                  |                  |               |
| 6090-01 · Postage/Courier Service                      | 288.68           | 166.00           | 122.68           | 173.9%        |
| <b>Total 6090-00 · POSTAGE</b>                         | <b>288.68</b>    | <b>166.00</b>    | <b>122.68</b>    | <b>173.9%</b> |
| 6100-00 · EDUCATION/TRAINING                           |                  |                  |                  |               |
| 6100-01 · Education/Training - Admin.                  | 0.00             | 1,250.00         | -1,250.00        | 0.0%          |
| 6100-02 · Education/Training - OPS                     | 0.00             | 833.00           | -833.00          | 0.0%          |
| 6100-03 · Education/Training - ARFF                    | 723.24           | 0.00             | 723.24           | 100.0%        |
| 6100-05 · Education - Noise Abatement                  | 0.00             | 0.00             | 0.00             | 0.0%          |
| 6100-06 · Education - Security                         | 0.00             | 416.00           | -416.00          | 0.0%          |
| 6100-07 · Education - Public Outrea/Comm.              | 50.00            | 0.00             | 50.00            | 100.0%        |
| 6100-08 · Education/Training - HFD Coop.               | 0.00             | 2,500.00         | -2,500.00        | 0.0%          |
| 6100-09 · Education - SAAC                             | 150.00           |                  |                  |               |
| <b>Total 6100-00 · EDUCATION/TRAINING</b>              | <b>923.24</b>    | <b>4,999.00</b>  | <b>-4,075.76</b> | <b>18.5%</b>  |
| 6101-00 · PUBLIC OUTREACH/COMMUNICATIONS               |                  |                  |                  |               |
| 6101-01 · Public Outr/Comm - General                   | 4,887.60         | 2,750.00         | 2,137.60         | 177.7%        |
| 6101-02 · Public Outr/Comm - Noise Abatem              | 0.00             | 125.00           | -125.00          | 0.0%          |
| 6101-03 · Public Outr/Comm - SAAC                      | 454.32           | 0.00             | 454.32           | 100.0%        |
| <b>Total 6101-00 · PUBLIC OUTREACH/COMMUNICATIO...</b> | <b>5,341.92</b>  | <b>2,875.00</b>  | <b>2,466.92</b>  | <b>185.8%</b> |
| 6110-00 · CONTRACTS                                    |                  |                  |                  |               |
| 6110-01 · Contracts - General                          | 0.00             | 500.00           | -500.00          | 0.0%          |
| 6110-02 · Contracts - FMAA                             | 3,500.00         | 3,500.00         | 0.00             | 100.0%        |
| 6110-03 · Contracts - FBO/Fee Collection               | 4,900.00         | 4,908.00         | -8.00            | 99.8%         |
| 6110-08 · Contracts - Eccles Tree Lights               | 7,500.00         |                  |                  |               |
| 6110-16 · Contracts - Prkg Mngt Fee/Ops                | 27,469.43        | 15,000.00        | 12,469.43        | 183.1%        |
| <b>Total 6110-00 · CONTRACTS</b>                       | <b>43,369.43</b> | <b>23,908.00</b> | <b>19,461.43</b> | <b>181.4%</b> |
| 6130-00 · MISCELLANEOUS EXPENSES                       |                  |                  |                  |               |
| 6130-01 · Misc. - General                              | 721.80           | 1,250.00         | -528.20          | 57.7%         |
| 6140-00 · Bank Fees                                    | 1,197.39         | 125.00           | 1,072.39         | 957.9%        |

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**October 2018**

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|--|-------------------|-------------------|------------------|---------------|
| 6150-01 · Interest Exp. - Prkg. Lot Equip            | 663.93            | 550.00            | 113.93           | 120.7%        |
| <b>Total 6130-00 · MISCELLANEOUS EXPENSES</b>        | <b>2,583.12</b>   | <b>1,925.00</b>   | <b>658.12</b>    | <b>134.2%</b> |
| 6400-00 · DOT/SCASGP                                 |                   |                   |                  |               |
| 6400-01 · DOT/SCASGP                                 | 0.00              | 0.00              | 0.00             | 0.0%          |
| <b>Total 6400-00 · DOT/SCASGP</b>                    | <b>0.00</b>       | <b>0.00</b>       | <b>0.00</b>      | <b>0.0%</b>   |
| <b>Total "B" EXPENSES - ADMINISTRATIVE</b>           | <b>126,768.73</b> | <b>119,434.16</b> | <b>7,334.57</b>  | <b>106.1%</b> |
| <b>"B" EXPENSES - OPERATIONAL</b>                    |                   |                   |                  |               |
| 6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS              |                   |                   |                  |               |
| 6500-01 · Supplies/Equipment - General               | 15.59             | 416.00            | -400.41          | 3.7%          |
| 6500-02 · Supplies/Equipment - Tools                 | 0.00              | 416.00            | -416.00          | 0.0%          |
| 6500-03 · Supplies/Equipment - Clothing              | 0.00              | 416.00            | -416.00          | 0.0%          |
| 6500-04 · Supplies/Equipment - Janitorial            | 1,904.64          | 1,666.00          | 238.64           | 114.3%        |
| <b>Total 6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS</b> | <b>1,920.23</b>   | <b>2,914.00</b>   | <b>-993.77</b>   | <b>65.9%</b>  |
| 6505-00 · EQUIP/VEHICLE - LEASE/RENTAL               |                   |                   |                  |               |
| 6505-01 · Eq./Vehi Lease/Rental - General            | 0.00              | 0.00              | 0.00             | 0.0%          |
| <b>Total 6505-00 · EQUIP/VEHICLE - LEASE/RENTAL</b>  | <b>0.00</b>       | <b>0.00</b>       | <b>0.00</b>      | <b>0.0%</b>   |
| 6510-00 · FUEL/LUBRICANTS                            |                   |                   |                  |               |
| 6510-01 · General                                    | 0.00              | 166.00            | -166.00          | 0.0%          |
| 6510-02 · Fuel                                       | 0.00              | 3,750.00          | -3,750.00        | 0.0%          |
| 6510-03 · Lubricants                                 | 0.00              | 416.00            | -416.00          | 0.0%          |
| <b>Total 6510-00 · FUEL/LUBRICANTS</b>               | <b>0.00</b>       | <b>4,332.00</b>   | <b>-4,332.00</b> | <b>0.0%</b>   |
| 6520-00 · VEHICLES/MAINTENANCE                       |                   |                   |                  |               |
| 6520-01 · R/M Equipment - General                    | 1,986.85          | 3,500.00          | -1,513.15        | 56.8%         |
| 6520-06 · R/M Equip. - '85 Ford Dump                 | 0.00              | 500.00            | -500.00          | 0.0%          |
| 6520-08 · R/M Equip. - '96 Tiger Tractor             | 0.00              | 2,750.00          | -2,750.00        | 0.0%          |
| 6520-09 · R/M Equip. - '96 Oshkosh Swp.              | 0.00              | 3,000.00          | -3,000.00        | 0.0%          |
| 6520-17 · R/M Equip. '01 Case 921 Ldr.               | 0.00              | 1,100.00          | -1,100.00        | 0.0%          |
| 6520-18 · R/M Equip. - '97 Chevy Blazer              | 0.00              | 1,450.00          | -1,450.00        | 0.0%          |
| 6520-19 · R/M Equip. '02 Ford F-150 PU               | 596.10            | 750.00            | -153.90          | 79.5%         |
| 6520-20 · R/M Equip. - '02 Kodiak Blower             | 0.00              | 300.00            | -300.00          | 0.0%          |
| 6520-25 · R/M Equip. - '04 Batts De-Ice              | 0.00              | 300.00            | -300.00          | 0.0%          |
| 6520-28 · R/M Equip.-'06 Case 621 Loader             | 8,380.00          | 0.00              | 8,380.00         | 100.0%        |
| 6520-29 · R/M Equip.- '10 Waus Broom/Plow            | 0.00              | 766.66            | -766.66          | 0.0%          |
| 6520-30 · R/M Equip.-'05 Ford F-350                  | 148.34            | 1,000.00          | -851.66          | 14.8%         |
| 6520-31 · R/M Equip. -'10 Oshkosh Blower             | 0.00              | 2,000.00          | -2,000.00        | 0.0%          |
| 6520-32 · R/M Equip. - '09 Mini Truck                | 9.99              | 100.00            | -90.01           | 10.0%         |
| 6520-34 · R/M Equip. - '12 Case 921F Load            | 0.00              | 1,350.00          | -1,350.00        | 0.0%          |
| 6520-35 · R/M Equip. - '14 Ford Explorer             | 926.24            | 450.00            | 476.24           | 205.8%        |
| 6520-36 · R/M Equip. - '10 Toyota Forklif            | 0.00              | 100.00            | -100.00          | 0.0%          |



**Friedman Memorial Airport**  
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**October 2018**

|   | Oct 18           | Budget           | \$ Over Budget   | % of Budget   |
|---|------------------|------------------|------------------|---------------|
| 6520-37 · R/M Equip. - '15 Tool Cat                   | 593.48           | 550.00           | 43.48            | 107.9%        |
| 6520-38 · R/M Equip. - '15 Wausau Broom               | 0.00             | 5,250.00         | -5,250.00        | 0.0%          |
| 6520-40 · R/M Equip. - '17 Ford-350 Super             | 4,346.38         | 150.00           | 4,196.38         | 2,897.6%      |
| 6520-42 · R/M Equip. - '18 Kodiak Attach.             | 0.00             | 250.00           | -250.00          | 0.0%          |
| <b>Total 6520-00 · VEHICLES/MAINTENANCE</b>           | <b>16,987.38</b> | <b>25,616.66</b> | <b>-8,629.28</b> | <b>66.3%</b>  |
| <b>6530-00 · ARFF MAINTENANCE</b>                     |                  |                  |                  |               |
| 6530-01 · ARFF Maint. Gen/Supplies                    | 96.91            | 1,083.00         | -986.09          | 8.9%          |
| 6530-03 · ARFF Maint. - '87 Oshkosh                   | 0.00             | 166.00           | -166.00          | 0.0%          |
| 6530-04 · ARFF Maint. - Radios                        | 0.00             | 583.00           | -583.00          | 0.0%          |
| 6530-05 · ARFF MAint. - '03 E-One                     | 3,065.00         | 166.00           | 2,899.00         | 1,846.4%      |
| 6530-07 · ARFF Maint. - Supp/HFD Support              | 0.00             | 0.00             | 0.00             | 0.0%          |
| <b>Total 6530-00 · ARFF MAINTENANCE</b>               | <b>3,161.91</b>  | <b>1,998.00</b>  | <b>1,163.91</b>  | <b>158.3%</b> |
| <b>6540-00 · REPAIRS/MAINTENANCE - BUILDING</b>       |                  |                  |                  |               |
| 6540-01 · R/M Bldg. - General                         | 0.00             | 208.00           | -208.00          | 0.0%          |
| 6540-02 · R/M Bldg. - Terminal                        | 3,000.08         | 10,000.00        | -6,999.92        | 30.0%         |
| 6540-03 · R/M Bldg. - Terminal Concession             | 0.00             | 208.00           | -208.00          | 0.0%          |
| 6540-04 · R/M Bldg. - Cold Storage                    | 0.00             | 416.00           | -416.00          | 0.0%          |
| 6540-05 · R/M Bldg. - AOB/SHOP                        | 1,118.05         | 1,666.00         | -547.95          | 67.1%         |
| 6540-06 · R/M Bldg. - Hangars                         | 401.10           | 208.00           | 193.10           | 192.8%        |
| 6540-07 · R/M Bldg. - Tower                           | 107.31           | 291.00           | -183.69          | 36.9%         |
| 6540-08 · R/M Bldg. - Parking Booth                   | 472.06           | 120.00           | 352.06           | 393.4%        |
| <b>Total 6540-00 · REPAIRS/MAINTENANCE - BUILDING</b> | <b>5,098.60</b>  | <b>13,117.00</b> | <b>-8,018.40</b> | <b>38.9%</b>  |
| <b>6550-00 · REPAIRS/MAINTENANCE - AIRSIDE</b>        |                  |                  |                  |               |
| 6550-01 · R/M - General                               | 371.09           | 416.00           | -44.91           | 89.2%         |
| 6550-02 · R/M - Airfield/Runway                       | 20,964.57        | 8,333.00         | 12,631.57        | 251.6%        |
| 6550-04 · R/M - Lights                                | 1,243.22         | 1,000.00         | 243.22           | 124.3%        |
| <b>Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE</b>  | <b>22,578.88</b> | <b>9,749.00</b>  | <b>12,829.88</b> | <b>231.6%</b> |
| <b>6551-00 · REPAIRS/MAINTENANCE - LANDSIDE</b>       |                  |                  |                  |               |
| 6551-01 · RM - General                                | 0.00             | 208.00           | -208.00          | 0.0%          |
| 6551-02 · R/M - Parking Lot                           | 437.79           | 666.00           | -228.21          | 65.7%         |
| 6551-03 · R/M - Landscaping                           | 939.09           | 833.00           | 106.09           | 112.7%        |
| <b>Total 6551-00 · REPAIRS/MAINTENANCE - LANDSIDE</b> | <b>1,376.88</b>  | <b>1,707.00</b>  | <b>-330.12</b>   | <b>80.7%</b>  |
| <b>6560-00 · SECURITY EXPENSE</b>                     |                  |                  |                  |               |
| 6560-01 · Security - General                          | 0.00             | 791.00           | -791.00          | 0.0%          |
| 6560-02 · Security - Law Enf. Offi. (LEO)             | 272.00           | 333.00           | -61.00           | 81.7%         |
| 6560-03 · Security - Subscription Licen.              | 7,660.00         | 5,114.00         | 2,546.00         | 149.8%        |
| 6560-04 · Security - Perim./Access/CCTV               | 1,097.08         | 2,633.00         | -1,535.92        | 41.7%         |
| 6560-05 · Security - Professional Serv.               | 0.00             | 1,250.00         | -1,250.00        | 0.0%          |
| 6560-06 · Security - Prof. Services/IT                | 607.75           | 625.00           | -17.25           | 97.2%         |

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01/03/19  
Accrual Basis

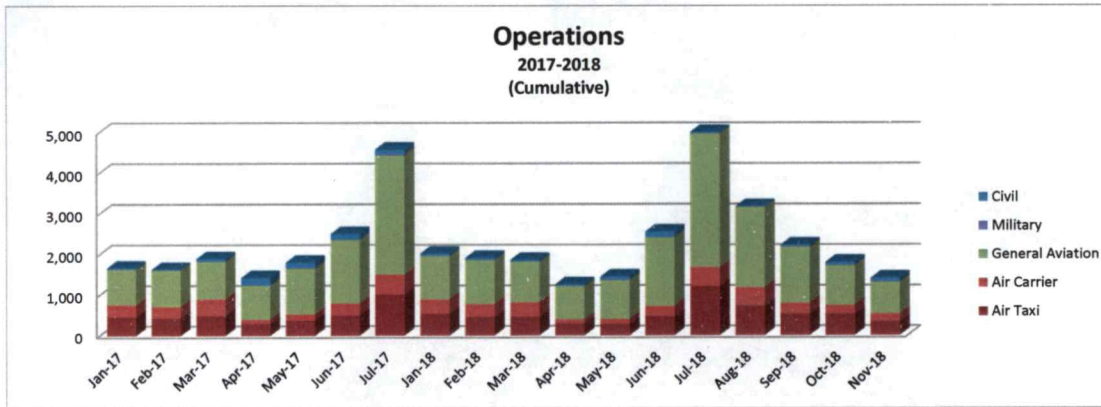
**Friedman Memorial Airport**  
**Profit & Loss Budget vs. Actual (COMBINED '19)**  
**October 2018**

|  | Oct 18            | Budget            | \$ Over Budget     | % of Budget  |
|--|-------------------|-------------------|--------------------|--------------|
| <b>Total 6560-00 · SECURITY EXPENSE</b>                | 9,636.83          | 10,746.00         | -1,109.17          | 89.7%        |
| <b>6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU</b>       |                   |                   |                    |              |
| 6570-01 · R/M Aeronautical Equip - NDB/DME             | 2,059.20          | 2,250.00          | -190.80            | 91.5%        |
| 6570-02 · R/M Aeronautical Equip. - Tower              | 1,029.60          | 1,750.00          | -720.40            | 58.8%        |
| 6570-03 · R/M Aeronautical Equip.-Swt. Sys             | 0.00              | 2,250.00          | -2,250.00          | 0.0%         |
| 6570-04 · R/M Aeron. Equip. - AWOS/ATIS                | 2,059.20          | 0.00              | 2,059.20           | 100.0%       |
| <b>Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU</b> | 5,148.00          | 6,250.00          | -1,102.00          | 82.4%        |
| <b>Total "B" EXPENSES - OPERATIONAL</b>                | 65,908.71         | 76,429.66         | -10,520.95         | 86.2%        |
| <b>Total "B" EXPENDITURES</b>                          | 192,677.44        | 195,863.82        | -3,186.38          | 98.4%        |
| <b>"C" EXPENSES</b>                                    |                   |                   |                    |              |
| <b>7001-00 · CAPITAL EXPENDITURES</b>                  |                   |                   |                    |              |
| 7001-0* · CONTINGENCY                                  | 0.00              | 1,666.00          | -1,666.00          | 0.0%         |
| 7001-02 · Buildings and Improvements                   | 3,758.56          |                   |                    |              |
| 7001-04 · Office Equipment                             | 0.00              | 0.00              | 0.00               | 0.0%         |
| 7001-06 · Assessments/Plans/Studies                    | 0.00              | 0.00              | 0.00               | 0.0%         |
| <b>Total 7001-00 · CAPITAL EXPENDITURES</b>            | 3,758.56          | 1,666.00          | 2,092.56           | 225.6%       |
| <b>7110-00 · DOT/SCADGP</b>                            |                   |                   |                    |              |
| 7110-02 · DOT/SCASGP - FMAA                            | 0.00              | 0.00              | 0.00               | 0.0%         |
| <b>Total 7110-00 · DOT/SCADGP</b>                      | 0.00              | 0.00              | 0.00               | 0.0%         |
| <b>7543-00 · AIP '43 EXPENSE - Air Carr. Apr</b>       |                   |                   |                    |              |
| 7543-01 · AIP '43 - AC Apron - Eligible                | 0.00              | 0.00              | 0.00               | 0.0%         |
| 7543-02 · AIP '43 - Parking - Non-Eligibl              | 1,872.99          | 0.00              | 1,872.99           | 100.0%       |
| 7543-03 · AIP '43 - SRE Equipment                      | 0.00              | 0.00              | 0.00               | 0.0%         |
| 7543-04 · AIP '43 - RPZ Acq/Tree Removal               | 12,601.60         | 0.00              | 12,601.60          | 100.0%       |
| <b>Total 7543-00 · AIP '43 EXPENSE - Air Carr. Apr</b> | 14,474.59         | 0.00              | 14,474.59          | 100.0%       |
| <b>7544-00 · AIP '44 EXPENSE RPZ EA</b>                |                   |                   |                    |              |
| 7544-01 · AIP '44 - Eligible                           | 3,057.90          | 0.00              | 3,057.90           | 100.0%       |
| <b>Total 7544-00 · AIP '44 EXPENSE RPZ EA</b>          | 3,057.90          | 0.00              | 3,057.90           | 100.0%       |
| <b>Total "C" EXPENSES</b>                              | 21,291.05         | 1,666.00          | 19,625.05          | 1,278.0%     |
| <b>Total EXPENDITURES</b>                              | 318,249.21        | 337,113.70        | -18,864.49         | 94.4%        |
| <b>Total Expense</b>                                   | 318,249.21        | 337,113.70        | -18,864.49         | 94.4%        |
| <b>Net Income</b>                                      | <b>117,603.60</b> | <b>524,002.83</b> | <b>-406,399.23</b> | <b>22.4%</b> |

**Friedman Memorial Airport  
November 2018**

**ATCT Traffic Operations Record**

| Month         | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         |
| 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         | 1,404         |
| 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         | 0             |
| <b>Totals</b> | <b>50,858</b> | <b>55,897</b> | <b>44,739</b> | <b>45,032</b> | <b>43,607</b> | <b>43,002</b> | <b>50,712</b> | <b>33,836</b> | <b>31,699</b> | <b>32,350</b> | <b>30,555</b> | <b>28,269</b> | <b>32,140</b> | <b>23,307</b> | <b>24,815</b> | <b>26,716</b> | <b>26,692</b> | <b>24,550</b> |



**ATCT Operations Change  
(2018 vs. 2017)**

|                  | 2018   | 2017   | % Change |
|------------------|--------|--------|----------|
| Air Taxi         | 336    | 289    | 16%      |
| Air Carrier      | 193    | 125    | 54%      |
| General Aviation | 785    | 665    | 18%      |
| Military         | 8      | 6      | 33%      |
| Civil            | 82     | 50     | 64%      |
| Total            | 1,404  | 1,135  | 23.70%   |
| YTD Total        | 24,550 | 24,475 | 0.31%    |

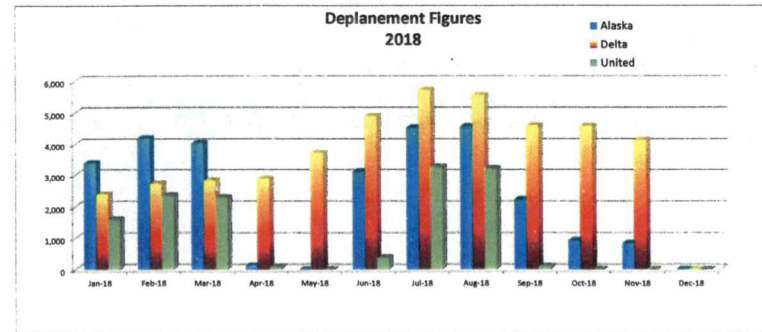
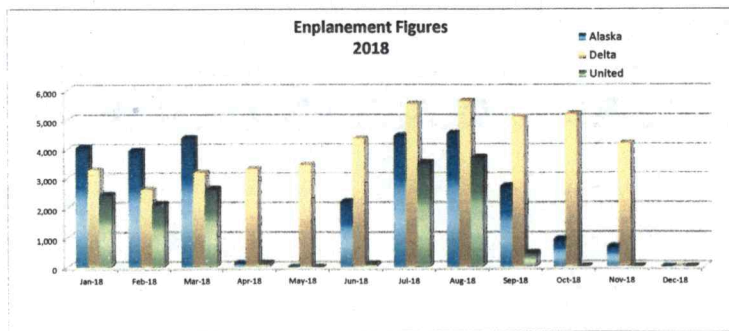
**Friedman Memorial Airport  
November 2018**

| 2018 Enplanements |                 |             |               |                  |                |                |             |               |                  |                |                 |             |               |                  |                |               |                       |                |
|-------------------|-----------------|-------------|---------------|------------------|----------------|----------------|-------------|---------------|------------------|----------------|-----------------|-------------|---------------|------------------|----------------|---------------|-----------------------|----------------|
| Date              | Alaska Airlines |             |               |                  |                | Delta Airlines |             |               |                  |                | United Airlines |             |               |                  |                | Total Enp.    | Prior Year Total Enp. | Total % Change |
|                   | 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-18            | 3,985           | 66          | 4,051         | 3,536            | 15%            | 3,251          | 30          | 3,281         | 2,685            | 22%            | 2,383           | 47          | 2,430         | 1,519            | 60%            | 9,762         | 7,740                 | 26.1%          |
| Feb-18            | 3,856           | 93          | 3,949         | 3,340            | 18%            | 2,542          | 60          | 2,602         | 2,556            | 2%             | 2,081           | 48          | 2,129         | 1,645            | 29%            | 8,680         | 7,541                 | 15.1%          |
| Mar-18            | 4,293           | 86          | 4,379         | 3,867            | 13%            | 3,146          | 47          | 3,193         | 4,944            | -35%           | 2,551           | 72          | 2,623         | 2,120            | 24%            | 10,195        | 10,931                | -6.7%          |
| Apr-18            | 124             | 3           | 127           | 0                | 100%           | 3,245          | 60          | 3,305         | 3,339            | -1%            | 134             | 0           | 134           | 0                | 100%           | 3,566         | 3,339                 | 6.8%           |
| May-18            | 0               | 0           | 0             | 0                | 0%             | 3,377          | 81          | 3,458         | 3,235            | 7%             | 0               | 0           | 0             | 0                | 0%             | 3,458         | 3,235                 | 6.9%           |
| Jun-18            | 2,162           | 50          | 2,212         | 2,105            | 5%             | 4,269          | 86          | 4,355         | 3,880            | 12%            | 107             | 0           | 107           | 473              | -77%           | 6,674         | 6,458                 | 3.3%           |
| Jul-18            | 4,390           | 67          | 4,457         | 4,215            | 6%             | 5,459          | 78          | 5,537         | 5,379            | 3%             | 3,464           | 57          | 3,521         | 3,064            | 15%            | 13,515        | 12,658                | 6.8%           |
| Aug-18            | 4,450           | 92          | 4,542         | 4,186            | 9%             | 5,543          | 87          | 5,630         | 5,654            | 0%             | 3,637           | 67          | 3,704         | 3,402            | 9%             | 13,876        | 13,242                | 4.8%           |
| Sep-18            | 2,642           | 73          | 2,715         | 2,387            | 14%            | 5,024          | 74          | 5,098         | 4,350            | 17%            | 469             | 9           | 478           | 763              | -37%           | 8,291         | 7,500                 | 10.5%          |
| Oct-18            | 906             | 26          | 932           | 1,144            | -19%           | 5,081          | 115         | 5,196         | 3,856            | 35%            | 0               | 0           | 0             | 215              | 100%           | 6,128         | 5,215                 | 17.5%          |
| Nov-18            | 659             | 24          | 683           | 675              | 1%             | 4,070          | 117         | 4,187         | 2,929            | 43%            | 0               | 0           | 0             | 0                | 0%             | 4,870         | 3,604                 | 35.1%          |
| <b>Totals</b>     | <b>27,467</b>   | <b>580</b>  | <b>28,047</b> | <b>24,780</b>    | <b>13%</b>     | <b>45,007</b>  | <b>835</b>  | <b>45,842</b> | <b>39,878</b>    | <b>15%</b>     | <b>14,826</b>   | <b>300</b>  | <b>15,126</b> | <b>13,201</b>    | <b>15%</b>     | <b>89,015</b> | <b>77,859</b>         | <b>14.3%</b>   |

Legend for Chart:

| 2018 Deplanements |                 |             |               |                  |                |                |             |               |                  |                |                 |             |               |                  |                |               |                       |                |
|-------------------|-----------------|-------------|---------------|------------------|----------------|----------------|-------------|---------------|------------------|----------------|-----------------|-------------|---------------|------------------|----------------|---------------|-----------------------|----------------|
| Date              | Alaska Airlines |             |               |                  |                | Delta Airlines |             |               |                  |                | United Airlines |             |               |                  |                | Total Dep.    | Prior Year Total Dep. | Total % Change |
|                   | 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-18            | 3,310           | 67          | 3,377         | 2,902            | 16%            | 2,327          | 45          | 2,372         | 2,053            | 16%            | 1,536           | 47          | 1,583         | 1,276            | 24%            | 7,332         | 6,231                 | 17.7%          |
| Feb-18            | 4,094           | 94          | 4,188         | 3,771            | 11%            | 2,662          | 46          | 2,708         | 2,344            | 16%            | 2,305           | 27          | 2,332         | 1,759            | 33%            | 9,228         | 7,874                 | 17.2%          |
| Mar-18            | 3,942           | 91          | 4,033         | 3,800            | 6%             | 2,760          | 62          | 2,822         | 4,386            | -36%           | 2,214           | 53          | 2,267         | 1,982            | 14%            | 9,122         | 10,168                | -10.3%         |
| Apr-18            | 116             | 1           | 117           | 0                | 100%           | 2,805          | 67          | 2,872         | 2,866            | 0%             | 76              | 3           | 79            | 0                | 100%           | 3,068         | 2,866                 | 7.0%           |
| May-18            | 0               | 0           | 0             | 0                | 0%             | 3,616          | 86          | 3,702         | 3,432            | 8%             | 0               | 0           | 0             | 0                | 0%             | 3,702         | 3,432                 | 7.9%           |
| Jun-18            | 3,054           | 58          | 3,112         | 2,755            | 13%            | 4,840          | 50          | 4,890         | 4,496            | 9%             | 366             | 6           | 372           | 833              | -55%           | 8,374         | 8,084                 | 3.6%           |
| Jul-18            | 4,448           | 73          | 4,521         | 4,379            | 3%             | 5,629          | 79          | 5,708         | 5,637            | 1%             | 3,230           | 25          | 3,255         | 2,921            | 11%            | 13,484        | 12,937                | 4.2%           |
| Aug-18            | 4,449           | 108         | 4,557         | 4,359            | 5%             | 5,478          | 74          | 5,552         | 5,380            | 3%             | 3,138           | 61          | 3,199         | 2,963            | 8%             | 13,308        | 12,702                | 4.8%           |
| Sep-18            | 2,137           | 78          | 2,215         | 1,981            | 12%            | 4,501          | 92          | 4,593         | 3,992            | 15%            | 83              | 10          | 93            | 484              | -81%           | 6,901         | 6,457                 | 6.9%           |
| Oct-18            | 889             | 28          | 917           | 1,092            | -16%           | 4,451          | 124         | 4,575         | 3,616            | 27%            | 0               | 0           | 0             | 180              | 100%           | 5,492         | 4,888                 | 12.4%          |
| Nov-18            | 791             | 31          | 822           | 735              | 12%            | 4,020          | 104         | 4,124         | 2,963            | 39%            | 0               | 0           | 0             | 0                | 0%             | 4,946         | 3,698                 | 33.7%          |
| <b>Totals</b>     | <b>27,230</b>   | <b>629</b>  | <b>27,859</b> | <b>25,039</b>    | <b>11%</b>     | <b>43,089</b>  | <b>829</b>  | <b>43,918</b> | <b>38,202</b>    | <b>15%</b>     | <b>12,948</b>   | <b>232</b>  | <b>13,180</b> | <b>12,398</b>    | <b>6%</b>      | <b>84,957</b> | <b>75,639</b>         | <b>12.3%</b>   |

Legend for Chart:



**Friedman Memorial Airport  
November 2018**

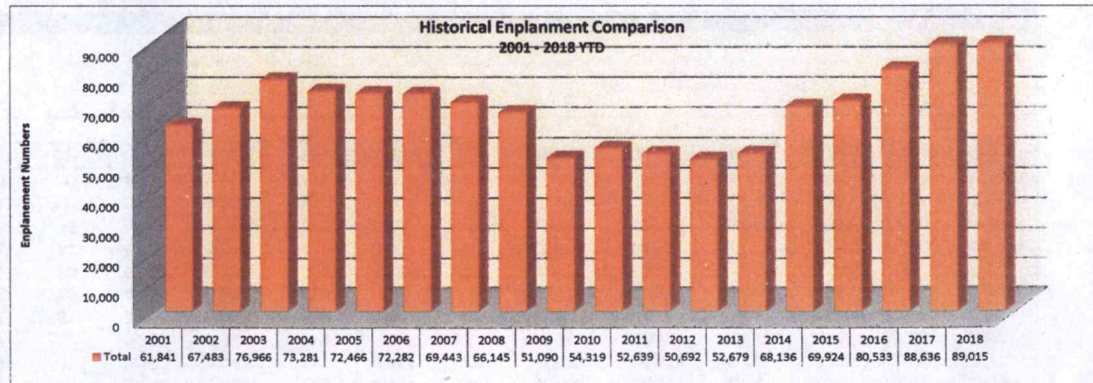
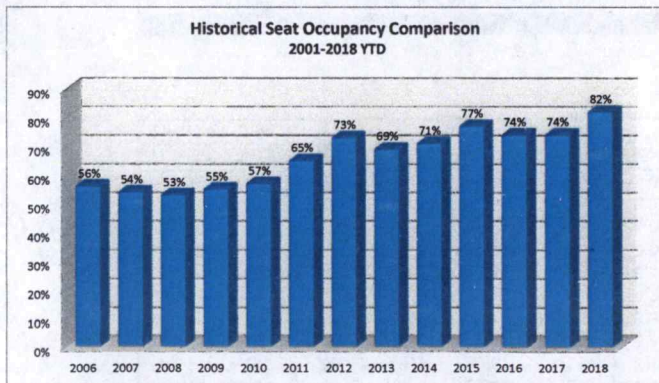
| 2018 Seat Occupancy |                   |                  |                |                  |                   |                 |                |                  |                   |                 |                |                  |                       |                      |                        |   |  |                                      |
|---------------------|-------------------|------------------|----------------|------------------|-------------------|-----------------|----------------|------------------|-------------------|-----------------|----------------|------------------|-----------------------|----------------------|------------------------|---|--|--------------------------------------|
| 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 | Prior Year % Change Total Seats Available   | Prior Year % Change Total Seats Occupied | Prior Year % Change Total % Occupied |
| Jan-18              | 72                | 5,472            | 4,051          | 74%              | 56                | 3,696           | 3,281          | 89%              | 48                | 3,168           | 2,430          | 77%              | 12,336                | 9,762                | 79%                    | 19%   | 26%                                      | 5%                                   |
| Feb-18              | 67                | 5,092            | 3,949          | 78%              | 47                | 3,102           | 2,602          | 84%              | 46                | 3,036           | 2,129          | 70%              | 11,230                | 8,680                | 77%                    | 8%  | 15%                                      | 4%                                   |
| Mar-18              | 76                | 5,776            | 4,379          | 76%              | 52                | 3,432           | 3,193          | 93%              | 48                | 3,168           | 2,623          | 83%              | 12,376                | 10,195               | 82%                    | -15%  | -7%                                      | 7%                                   |
| Apr-18              | 2                 | 152              | 127            | 84%              | 56                | 3,696           | 3,305          | 89%              | 2                 | 132             | 134            | 102%             | 3,980                 | 3,566                | 90%                    | 1%  | 7%                                       | 6%                                   |
| May-18              | 0                 | 0                | 0              | 0%               | 62                | 4,092           | 3,458          | 85%              | 0                 | 0               | 0              | 0%               | 4,092                 | 3,458                | 85%                    | 0%  | 7%                                       | 6%                                   |
| Jun-18              | 50                | 3,400            | 2,212          | 65%              | 77                | 5,082           | 4,355          | 86%              | 6                 | 396             | 107            | 27%              | 8,878                 | 6,674                | 75%                    | -12%  | 3%                                       | 11%                                  |
| Jul-18              | 78                | 5,304            | 4,457          | 84%              | 90                | 6,300           | 5,537          | 88%              | 62                | 4,712           | 3,521          | 75%              | 16,316                | 13,515               | 83%                    | -6%   | 7%                                       | 10%                                  |
| Aug-18              | 79                | 5,372            | 4,542          | 85%              | 90                | 6,210           | 5,630          | 91%              | 62                | 4,340           | 3,704          | 85%              | 15,922                | 13,876               | 87%                    | -5%   | 5%                                       | 8%                                   |
| Sep-18              | 53                | 3,604            | 2,715          | 75%              | 79                | 5,451           | 5,098          | 94%              | 6                 | 396             | 478            | 121%             | 9,451                 | 8,291                | 88%                    | -9%   | 11%                                      | 16%                                  |
| Oct-18              | 18                | 1,368            | 932            | 68%              | 89                | 6,141           | 5,196          | 85%              | 0                 | 0               | 0              | 0%               | 7,509                 | 6,128                | 82%                    | 19%   | 18%                                      | 0%                                   |
| Nov-18              | 15                | 1,140            | 683            | 60%              | 81                | 5,589           | 4,187          | 75%              | 0                 | 0               | 0              | 0%               | 6,729                 | 4,870                | 72%                    | 49%   | 35%                                      | -8%                                  |
| <b>Totals</b>       | <b>510</b>        | <b>36,680</b>    | <b>28,047</b>  | <b>76%</b>       | <b>779</b>        | <b>52,791</b>   | <b>45,842</b>  | <b>87%</b>       | <b>280</b>        | <b>19,348</b>   | <b>15,126</b>  | <b>78%</b>       | <b>108,819</b>        | <b>89,015</b>        | <b>82%</b>             | <b>54%</b>                                  | <b>89%</b>                               | <b>15%</b>                           |

Note: Total of 68 Seats Available on aircraft for summer months  
Total of 76 Seats Available on aircraft for winter months

Total of 66 Seats Available on aircraft from Jan. - June  
Total of 70 Seats starting in July

Total of 76 Seats Available on aircraft

\*Seats are capped at 68 during some periods in the summer due to weight and balance requirements and other times of the year seats may be capped due to environmental conditions



**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**FINANCIAL STATEMENTS  
AND  
OTHER FINANCIAL INFORMATION**

**September 30, 2018**

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## **Management's Discussion and Analysis**

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, 2018. 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.

As has been discussed in previous MD&A, beginning in fiscal year 2013, the Authority initiated substantial steps to improve the existing airport. These improvements were the culmination of an aggressive approach to the implementation of "Alternative 6", which included an FAA Safety Risk Management study and the approval of five Modification to Standards (MOS) to accommodate an achievable solution to the congressional mandated safety standards at the airport by the end of calendar year 2015. These modifications consider and limit the size of aircraft to those that currently utilize Friedman rather than making alterations that would fully achieve a C-III compliant airport. \$34 million dollars in improvements were completed at the airport by the end of fiscal year 2015 to meet this mandate and include a standard Runway Safety Area (RSA), a full-length parallel Taxiway Bravo, and an expansion of the airport passenger terminal and associated air carrier aircraft parking apron. Substantial construction was complete by the end of the first quarter of fiscal year 2016. Additional improvements to the terminal were completed in the first quarter of fiscal year 2017 when a new concession space was added to the departure lounge area.

The airport continues to be served by three air carriers – Delta, United, and Alaska Airlines. Delta Airlines remains the airport's only year-round carrier (direct service to Salt Lake City), with United and Alaska providing winter and summer seasonal service. Markets served by our three air carriers in 2018 included Denver, Los Angeles, Portland, Salt Lake City, San Francisco, and Seattle. Limited new winter service to Chicago was also available in 2017/2018 winter. Fiscal year 2018 was yet another successful year overall for our air service. Overall, enplanements were up nearly 16% over 2017. August 2018 set a record as the busiest month for passenger activity in airport history.

It should be noted that in the fall of 2018, Alaska Airlines pulled its Los Angeles service from the airport stating changes to their base of operations in Los Angeles which would no longer support Q400 aircraft operations. In addition, Alaska's Portland service was not continued due to poor performance. United Airlines is picking up the Los Angeles service starting in December of 2018. As of this time, no replacement service for Portland as been identified. More positively, Delta added a third flight to Salt Lake City in the fall of 2018. This new third flight will be available approximately 75% of the year and was highly requested by the local community.

In addition, the initiation of service of the new Embraer E-175 next generation regional jet has been very well received by our customers. The E-175 has replaced nearly all operations of the Bombardier CRJ700. The new aircraft provides an enhanced passenger service with increased seat space and overhead bin storage, among other upgrades. Its performance is also well suited for our airport. With the assistance of 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 2018 saw the Authority and staff continue to focus on maintenance and upkeep of our new facilities. Our new and expanded facilities again resulted in increased maintenance and operations (O&M) expenses. We believe we have a better handle on cost impacts of the new facilities after two years of operation and have adjusted according in 2019 budget adjustments.

In August 2018, the FAA approved the airport's Airport Layout Plan as part of the Airport Master Plan process started in 2014. FAA's approval finalized the master planning process.

Consistent with the master plan, the Authority started a major capital development project in spring 2018, completing it in November 2018. The project included an expansion of the air carrier parking apron adding a fourth air carrier aircraft parking position. In addition, the airport's access road system and passenger terminal parking lot were reconfigured. The total project cost was approximately \$4 million split between FAA grant funds and a significant amount of local funds for both FAA grant match and FAA ineligible portions of the project. The project was completed on time and underbudget.

Also consistent with the master plan, the Authority undertook significant efforts toward the acquisition of approximately 64 acres of land south of the airport for purposes of Runway Protection Zone and obstruction removal (trees). In November 2018, the Authority and landowner signed a Purchase and Sales Agreement specifying the terms of acquisition.

All financial and operational indications are that the healthy economy is having a direct positive impact on the airport. As has historically be the case at SUN, inconvenience due to frequent flight cancellations and diversions due to less than ideal instrument approach capabilities at the airport is an often-stated concern and the reason for travelers to be reluctant to return to SUN. This remains a concern for the Authority. Alaska Airline's implementation of their new proprietary instrument approach procedure in 2016, allowing them to land in very low ceiling and visibility conditions, has proved to be a significant improvement. The Authority continues to seek a similar solution for other airport users.

### **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 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 \$56,035,197 as of September 30, 2018, a decrease of \$521,596 from the prior year.

A condensed summary of the Authority's financial position at September 30<sup>th</sup> is shown below.

|                            | <u>2018</u>         | <u>2017</u>         | <u>Increase<br/>(Decrease)</u> | <u>Percentage<br/>Change</u> |
|----------------------------|---------------------|---------------------|--------------------------------|------------------------------|
| <b>ASSETS:</b>             |                     |                     |                                |                              |
| Current Assets             | \$ 4,981,576        | \$ 3,013,364        | \$ 1,968,212                   | 65.3%                        |
| Capital Assets             | <u>53,215,198</u>   | <u>53,941,684</u>   | <u>(726,486)</u>               | -1.3%                        |
| Total Assets               | <u>58,196,774</u>   | <u>56,955,048</u>   | <u>1,241,726</u>               | 2.2%                         |
| <b>LIABILITIES:</b>        |                     |                     |                                |                              |
| Current Liabilities        | 1,932,856           | 262,225             | 1,670,631                      | 637.1%                       |
| Noncurrent Liabilities     | <u>228,721</u>      | <u>136,030</u>      | <u>92,691</u>                  | 68.1%                        |
| Total Liabilities          | <u>2,161,577</u>    | <u>398,255</u>      | <u>1,763,322</u>               | 442.8%                       |
| <b>NET POSITION:</b>       |                     |                     |                                |                              |
| Invested in capital assets | 53,097,165          | 53,941,684          | (844,519)                      | -1.6%                        |
| Restricted                 | 46,530              | 7,163               | 39,367                         | 549.6%                       |
| Unrestricted               | <u>2,891,502</u>    | <u>2,607,946</u>    | <u>283,556</u>                 | 10.9%                        |
| Net Position               | <u>\$56,035,197</u> | <u>\$56,556,793</u> | <u>\$ (521,596)</u>            | -.9%                         |

The largest portion of the Authority's net position is invested in capital assets (e.g. land, buildings, improvements and equipment). At September 30, 2018, there was \$118,033 of outstanding debt attributable to these assets. 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) and Passenger Facility Charges (PFC) collections. The BLM funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031. The PFC funds are collected and are restricted to funding designated capital projects.

A condensed summary of the Authority's revenue, expenses and changes in net position for the fiscal year ending September 30<sup>th</sup> is shown below.

|                                  | <u>2018</u>         | <u>2017</u>         | Increase<br>(Decrease) | Percentage<br>Change |
|----------------------------------|---------------------|---------------------|------------------------|----------------------|
| Operating Revenue                | \$3,424,975         | \$ 3,282,526        | \$ 142,449             | 4.3%                 |
| Operating Expenses               | <u>6,446,640</u>    | <u>5,455,752</u>    | <u>990,888</u>         | 18.2%                |
| Operating (income/loss)          | (3,021,665)         | (2,173,226)         | (848,439)              | -39.0%               |
| Non-operating Revenue (Expenses) | 393,608             | 368,516             | 25,092                 | 6.8%                 |
| Capital Contributions            | <u>2,106,461</u>    | <u>609,759</u>      | <u>1,496,702</u>       | 245.5%               |
| Changes in net position          | (521,596)           | (1,194,951)         | 673,355                | 56.4%                |
| Beginning net position           | <u>56,556,793</u>   | <u>57,751,744</u>   | <u>(1,194,951)</u>     | -2.1%                |
| Ending net position              | <u>\$56,035,197</u> | <u>\$56,556,793</u> | <u>\$ (521,596)</u>    | -.9%                 |

Operating revenue increased 4.3% over the prior fiscal year primarily due the increase in auto parking revenue.

Operating expenses increased by 18.2% over the prior fiscal year primarily due to an increase in depreciation and in services and contracts.

### **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, 2018. 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  | \$3,450,615       | \$3,424,975       | \$ (25,640)       |
| Total Operating Expenses | <u>3,146,830</u>  | <u>2,935,705</u>  | <u>(211,125)</u>  |
| Operating Income (loss)  | <u>\$ 303,785</u> | <u>\$ 489,270</u> | <u>\$ 185,485</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.
3. Interest earned on PFCs is budgeted as interest income but is reportable as PFC revenue for GAAP.
4. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
5. Gain or loss on disposition of capital assets Is not budgeted but is reported 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, 2018, net capital assets totaled \$53,215,198. The Authority acquired or constructed almost \$2.8 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 include a loan payable and accrued compensated absences. A loan payable related to the acquisition of parking equipment requires thirty-six monthly payments of \$4,422 beginning on April 1, 2018. The total loan payable liability at September 30, 2018, was \$118,033. 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, 2018, was \$265,044. Currently, the Authority has no other 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, 2018 and 2017**

| <b>ASSETS</b>   | <u>2018</u>           | <u>2017</u>           |
|---|-----------------------|-----------------------|
| <b>Current Assets:</b>  |                       |                       |
| Cash and cash equivalents                                       | \$ 3,291,801          | \$ 2,584,261          |
| Operating accounts receivable                                   | 147,274               | 330,669               |
| Nonoperating accounts receivable                                | 171,563               | -                     |
| Due from other governments                                      | 1,303,395             | 82,774                |
| Interest receivable   | 4,374                 | 1,882                 |
| Prepaid expenses  | 16,639                | 6,615                 |
| Restricted cash and cash equivalents:                           |                       |                       |
| BLM   | 5,500                 | 5,500                 |
| Passenger Facility Charges                                      | 41,030                | 1,663                 |
| Total Current Assets  | <u>4,981,576</u>      | <u>3,013,364</u>      |
| <b>Noncurrent Assets:</b>                                       |                       |                       |
| Land  | 6,712,067             | 6,712,067             |
| Construction in progress  | 3,040,257             | 3,052,836             |
| Airfield, buildings, equipment, improvements, plans and studies | 66,916,587            | 64,790,576            |
|   | <u>76,668,911</u>     | <u>74,555,479</u>     |
| Accumulated depreciation  | (23,453,713)          | (20,613,795)          |
| Total Noncurrent Assets   | <u>53,215,198</u>     | <u>53,941,684</u>     |
| <br>Total Assets  | <br><u>58,196,774</u> | <br><u>56,955,048</u> |
| <br><b>LIABILITIES</b>  |                       |                       |
| <b>Current Liabilities:</b>                                     |                       |                       |
| Trade accounts payable  | 948,554               | 58,627                |
| Payable City of Hailey  | 2,790                 | 2,618                 |
| Accounts payable for capital improvements                       | 823,371               | 95,816                |
| Accrued payroll and benefits                                    | 2,385                 | 3,933                 |
| Customer deposits   | 1,400                 | 1,400                 |
| Current portion of long-term liabilities                        | 154,356               | 99,831                |
| Total Current Liabilities                                       | <u>1,932,856</u>      | <u>262,225</u>        |
| <b>Long-Term Liabilities:</b>                                   |                       |                       |
| Accrued compensated absences                                    | 265,044               | 235,861               |
| Loan payable  | 118,033               | -                     |
| Current portion of long-term liabilities                        | (154,356)             | (99,831)              |
| Total Long-Term Liabilities                                     | <u>228,721</u>        | <u>136,030</u>        |
| Total Liabilities   | <u>2,161,577</u>      | <u>398,255</u>        |
| <br><b>NET POSITION</b>   |                       |                       |
| Net investment in capital assets                                | 53,097,165            | 53,941,684            |
| Restricted  | 46,530                | 7,163                 |
| Unrestricted  | 2,891,502             | 2,607,946             |
| Total Net Position  | <u>\$ 56,035,197</u>  | <u>\$ 56,556,793</u>  |

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

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

**For the Years Ended September 30, 2018 and 2017**

|  | <u>2018</u>   | <u>2017</u>   |
|--|---------------|---------------|
| <b>Operating Revenue:</b>                    |               |               |
| Airlines                                     | \$ 314,222    | \$ 297,045    |
| Automobile rental                            | 670,181       | 674,879       |
| Auto parking                                 | 413,690       | 267,875       |
| Rents, fees, commissions and leases          | 1,671,837     | 1,693,219     |
| Fuel flowage fees                            | 350,473       | 335,960       |
| Other operating revenue                      | 4,572         | 13,548        |
| Total Operating Revenue                      | 3,424,975     | 3,282,526     |
| <b>Operating Expenses:</b>                   |               |               |
| Employee wages, benefits and taxes           | 1,555,242     | 1,461,200     |
| Supplies                                     | 131,429       | 91,345        |
| Utilities                                    | 132,323       | 140,975       |
| Services and contracts                       | 618,222       | 345,773       |
| Repairs and maintenance                      | 284,713       | 325,798       |
| Insurance                                    | 50,200        | 62,331        |
| Other operating expense                      | 192,759       | 187,750       |
| Depreciation                                 | 3,481,752     | 2,840,580     |
| Total Operating Expenses                     | 6,446,640     | 5,455,752     |
| Operating Income (Loss)                      | (3,021,665)   | (2,173,226)   |
| <b>Nonoperating Revenue (Expenses):</b>      |               |               |
| Passenger Facility Charges                   | 370,768       | 353,944       |
| Interest income                              | 41,919        | 14,964        |
| Gain (loss) on disposition of capital assets | (9,022)       | 13,237        |
| Local match contributions                    | 171,563       | -             |
| Federal grants                               | 500,000       | -             |
| Federal grant expenditures                   | (681,620)     | (13,629)      |
| Total Nonoperating Revenue and (Expenses)    | 393,608       | 368,516       |
| Income (Loss) before Capital Contributions   | (2,628,057)   | (1,804,710)   |
| <b>Capital Contributions</b>                 | 2,106,461     | 609,759       |
| Change in Net Position                       | (521,596)     | (1,194,951)   |
| <b>Net Position, Beginning of Year</b>       | 56,556,793    | 57,751,744    |
| <b>Net Position, End of Year</b>             | \$ 56,035,197 | \$ 56,556,793 |

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND**

**For the Years Ended September 30, 2018 and 2017**

|  | <u>2018</u>           | <u>2017</u>           |
|--|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                       |                       |
| Cash received from customers   | \$ 3,608,370          | \$ 3,123,549          |
| Cash payments for employees' services and benefits   | (1,527,607)           | (1,397,142)           |
| Cash payments to suppliers for goods and services  | <u>(1,171,623)</u>    | <u>(1,166,242)</u>    |
| Net cash provided (used) by operating activities   | <u>909,140</u>        | <u>560,165</u>        |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                       |                       |
| Operating grant expenditures   | <u>(10,057)</u>       | <u>(13,629)</u>       |
| Net cash provided (used) by noncapital financing activities                                    | <u>(10,057)</u>       | <u>(13,629)</u>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                |                       |                       |
| Proceeds from sales of capital assets  | -                     | 13,237                |
| Acquisition and construction of capital assets   | (1,922,484)           | (1,166,245)           |
| Payments on long-term debt   | (25,727)              | -                     |
| Grants and other amounts received for the purchase of capital assets                           | 1,385,840             | 798,026               |
| Passenger Facility Charges received for the purchase of capital assets                         | <u>370,768</u>        | <u>353,944</u>        |
| Net cash provided (used) by capital and related financing activities                           | <u>(191,603)</u>      | <u>(1,038)</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                       |                       |
| Investment earnings  | <u>39,427</u>         | <u>13,852</u>         |
| Net cash provided (used) by investing activities   | <u>39,427</u>         | <u>13,852</u>         |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                    | <u>746,907</u>        | <u>559,350</u>        |
| <b>Balances - beginning of the year</b>  | <u>2,591,424</u>      | <u>2,032,074</u>      |
| <b>Balances - end of the year</b>  | <u>\$ 3,338,331</u>   | <u>\$ 2,591,424</u>   |
| <b>RECONCILIATION OF CASH BALANCES TO STATEMENTS OF NET POSITION</b>                           |                       |                       |
| Cash and cash equivalents  | \$ 3,291,801          | \$ 2,584,261          |
| Restricted cash and cash equivalents:  |                       |                       |
| BLM  | 5,500                 | 5,500                 |
| Passenger Facility Charges   | <u>41,030</u>         | <u>1,663</u>          |
| Total cash balances on Statements of Net Position  | <u>\$ 3,338,331</u>   | <u>\$ 2,591,424</u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b> |                       |                       |
| Operating income (loss)  | <u>\$ (3,021,665)</u> | <u>\$ (2,173,226)</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities:        |                       |                       |
| Depreciation   | 3,481,752             | 2,840,580             |
| Change in assets and liabilities:  |                       |                       |
| (Increase) decrease in operating accounts receivable   | 183,395               | (159,377)             |
| (Increase) decrease in prepaid expenses  | (10,024)              | (2,428)               |
| (Increase) decrease in construction in progress treated as services and contracts              | 29,511                | -                     |
| Increase (decrease) in accounts payable trade  | 218,536               | (9,842)               |
| Increase (decrease) in accrued payroll and benefits  | (1,548)               | 796                   |
| Increase (decrease) in customer deposits   | -                     | 400                   |
| Increase (decrease) in accrued compensated absences  | <u>29,183</u>         | <u>63,262</u>         |
| Total Adjustment and Changes   | <u>3,930,805</u>      | <u>2,733,391</u>      |
| Net cash provided (used) by operating activities   | <u>\$ 909,140</u>     | <u>\$ 560,165</u>     |

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018

Note 1. **Summary of Significant Accounting Policies**

**1-A. Organization and Reporting Entity**

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, management has determined that the Authority does not have component units. Accordingly, the accompanying financial statements include only the operations of the Friedman Memorial Airport Authority.

**1-B. Measurement Focus, Basis of Accounting**

The Friedman Memorial Airport 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 assets.

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 Year Ended September 30, 2018

1-C. Assets, Liabilities and Equity

Cash and Cash Equivalents

For purposes of reporting 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.

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

Capital assets are stated at cost. Donated capital assets are recorded at their estimated fair market value when received. Only assets with a value over \$1,500 are capitalized. 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          | 4 to 50 years |
| Airfield and general improvements  | 4 to 25 years |
| Office equipment                   | 2 to 10 years |
| Security                           | 3 to 20 years |
| Maintenance equipment and vehicles | 2 to 20 years |
| Assessments, plans and studies     | 4 to 20 years |

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.

Restricted Cash – Passenger Facility Charges Funds

This cash represents Passenger Facility Charges (PFC) collections based on an approved FAA application to "impose" such charges on enplaned passengers at the Airport. These funds are restricted to funding designated capital projects.

Use of Restricted Resources

The Authority's policy is to first apply restricted resources when an eligible expenditure is made for which both restricted and unrestricted net assets are available.

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. Interest earned on PFCs is budgeted as interest income but is reportable as PFC revenue for GAAP.
4. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
5. Gain or loss on disposition of capital assets is not budgeted but is reported for GAAP.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018

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.

1-D. Subsequent Events

Management has evaluated subsequent events through the date on the independent auditors' report, the date on which financial statements were available to be issued.

**Note 2. Deposits and Investments**

The following is a reconciliation of the Authority's deposit and investment balances as of September 30, 2018 and 2017:

|  | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|
| Cash on hand                                       | \$ 200              | \$ 50               |
| Bank deposits                                      | 294,712             | 9,303               |
| Repurchase agreement                               | 347,417             | 274,119             |
| State of Idaho Local Government<br>Investment Pool | <u>2,696,002</u>    | <u>2,307,952</u>    |
|  | <u>\$ 3,338,331</u> | <u>\$ 2,591,424</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

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.

Credit Risk

The Authority has no formal policy on managing credit risk. As of September 30, 2018 and 2017, the Authority's deposits and investment had the following credit ratings:

| <u>Investment</u>                               | <u>2018</u><br><u>Fair Value</u> | <u>2017</u><br><u>Fair Value</u> | <u>Credit</u><br><u>Rating</u> |
|---|----------------------------------|----------------------------------|--------------------------------|
| Mountain West Checking                          | \$ 288,662                       | \$ 3,322                         | None                           |
| Mountain West Certificate of Deposit            | 6,050                            | 5,981                            | None                           |
| Mountain West Repurchase Agreement              | 347,417                          | 274,119                          | None                           |
| State of Idaho Local Government Investment Pool | 2,696,002                        | 2,307,952                        | 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, 2018, the carrying amount of the Authority's bank deposits was \$642,129 and the respective bank balances totaled \$749,603. The Authority's deposits at September 30, 2018, were covered by \$256,050 of insurance from the Federal Depository Insurance Corporation and \$438,428 of collateral leaving \$55,125 as unsecured or uninsured. The securities serving as collateral are held in the name of the financial institution and not that of the Authority.

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018**

As of September 30, 2017, the carrying amount of the Authority's bank deposits was \$283,422 and the respective bank balances totaled \$529,779. The Authority's deposits at September 30, 2017, were covered by \$9,303 of insurance from the Federal Depository Insurance Corporation and \$520,476 of collateral. None of these deposits were 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, 2018 and 2017, the Authority had more than 5% of its deposits and investments invested in a repurchase agreement with Mountain West Bank. At September 30, 2018, 100% of the repurchase agreement was invested in the Federal National Mortgage Association. At September 30, 2017, 100% of the repurchase agreement was invested in the Federal Home Loan Mortgage Corporation.

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, 2018 and 2017:

| <u>Investment</u>      | <u>2018<br/>Fair Value</u> | <u>Weighted<br/>Average<br/>Duration</u> | <u>2017<br/>Fair Value</u> | <u>Weighted<br/>Average<br/>Duration</u> |
|------------------------|----------------------------|--|----------------------------|--|
| Repurchase agreement   | \$ 347,417                 | 1 day                                    | \$ 274,119                 | 1 day                                    |
| Investment pool        | 2,696,002                  | 106 days                                 | 2,307,952                  | 153 days                                 |
| Certificate of Deposit | 6,050                      | 3 yrs 16 days                            | 5,981                      | 4 yrs 16 days                            |
| Demand deposits        | 288,662                    | not applicable                           | 3,322                      | not applicable                           |

**Note 3. Capital Assets**

Capital asset activity for the year ended September 30, 2018, was as follows:

|                                   | <u>Balance<br/>9/30/2017</u> | <u>Increase</u>     | <u>Decrease</u>    | <u>Transfer</u> | <u>Balance<br/>9/30/2018</u> |
|-----------------------------------|------------------------------|---------------------|--------------------|-----------------|------------------------------|
| Nondepreciable capital assets:    |                              |                     |                    |                 |                              |
| Land                              | \$ 6,712,067                 | \$ -                | \$ -               | \$ -            | \$ 6,712,067                 |
| Construction in progress*         | 3,052,836                    | 2,570,193           | (29,511)           | (2,553,261)     | 3,040,257                    |
| Depreciable capital assets:       |                              |                     |                    |                 |                              |
| Buildings and improvements        | 5,602,585                    | 150,071             | (37,490)           | -               | 5,715,166                    |
| Airfield and general improvements | 47,443,824                   | 3,337               | (15,377)           | 2,538,621       | 49,970,405                   |
| Office equipment                  | 58,264                       | 13,061              | -                  | -               | 71,325                       |
| Security                          | 307,886                      | -                   | (159,423)          | -               | 148,463                      |
| Maintenance equipment & vehicles  | 3,848,412                    | 17,783              | (18,774)           | -               | 3,847,421                    |
| Assessments, plans & studies      | 7,529,605                    | 39,353              | (419,791)          | 14,640          | 7,163,807                    |
|                                   | 74,555,479                   | 2,793,798           | (680,366)          | -               | 76,668,911                   |
| Accumulated depreciation          | (20,613,795)                 | (3,481,751)         | 641,833            | -               | (23,453,713)                 |
|                                   | <u>\$ 53,941,684</u>         | <u>\$ (687,953)</u> | <u>\$ (38,533)</u> | <u>\$ -</u>     | <u>\$ 53,215,198</u>         |

\*Construction in progress includes amounts for various airport improvement projects that were not completed as of September 30, 2018.

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018**

Capital asset activity for the year ended September 30, 2017, was as follows:

|                                   | <u>Balance</u><br><u>9/30/2016</u> | <u>Increase</u>       | <u>Decrease</u> | <u>Transfer</u> | <u>Balance</u><br><u>9/30/2017</u> |
|-----------------------------------|------------------------------------|-----------------------|-----------------|-----------------|------------------------------------|
| Nondepreciable capital assets:    |                                    |                       |                 |                 |                                    |
| Land                              | \$ 6,712,067                       | \$ -                  | \$ -            | \$ -            | \$ 6,712,067                       |
| Construction in progress*         | 12,603,136                         | 537,851               | -               | (10,088,151)    | 3,052,836                          |
| Depreciable capital assets:       |                                    |                       |                 |                 |                                    |
| Buildings and improvements        | 5,472,910                          | 129,675               | -               | -               | 5,602,585                          |
| Airfield and general improvements | 37,005,939                         | 359,111               | (9,377)         | 10,088,151      | 47,443,824                         |
| Office equipment                  | 91,253                             | -                     | (32,989)        | -               | 58,264                             |
| Security                          | 311,103                            | -                     | (3,217)         | -               | 307,886                            |
| Maintenance equipment & vehicles  | 4,141,716                          | 118,087               | (411,391)       | -               | 3,848,412                          |
| Assessments, plans & studies      | <u>7,529,605</u>                   | <u>-</u>              | <u>-</u>        | <u>-</u>        | <u>7,529,605</u>                   |
|                                   | 73,867,729                         | 1,144,724             | (456,974)       | -               | 74,555,479                         |
| Accumulated depreciation          | <u>(18,230,189)</u>                | <u>(2,840,580)</u>    | <u>456,974</u>  | <u>-</u>        | <u>(20,613,795)</u>                |
|                                   | <u>\$ 55,637,540</u>               | <u>\$ (1,695,856)</u> | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 53,941,684</u>               |

\*Construction in progress includes amounts for various airport improvement projects that were not completed as of September 30, 2017.

**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, 2018 and 2017, are as follows:

|                                  | <u>2018</u>         | <u>2017</u>       |
|----------------------------------|---------------------|-------------------|
| Current                          | \$ 146,404          | \$ 330,105        |
| 30-60 days                       | 885                 | 217               |
| 60-90 days                       | 6                   | (52)              |
| 90 days and over                 | <u>(20)</u>         | <u>399</u>        |
|                                  | <u>\$ 147,275</u>   | <u>\$ 330,669</u> |
| Nonoperating accounts receivable | <u>\$ 171,563</u>   | <u>\$ -</u>       |
| Due from other governments       | <u>\$ 1,303,395</u> | <u>\$ 82,774</u>  |

**Note 5. Long-term Liabilities**

Changes in long-term obligations for the year ended September 30, 2018, are as follows:

|                      | <u>Balance at</u><br><u>10/01/2017</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Balance</u><br><u>9/30/2018</u> | <u>Amount due</u><br><u>within 1 year</u> |
|----------------------|--|-------------------|-------------------|------------------------------------|---|
| Loan payable         | \$ -                                   | \$ 143,760        | \$ 25,727         | \$ 118,033                         | \$ 46,525                                 |
| Compensated absences | <u>235,861</u>                         | <u>29,183</u>     | <u>-</u>          | <u>265,044</u>                     | <u>107,831</u>                            |
|                      | <u>\$ 235,861</u>                      | <u>\$ 172,943</u> | <u>\$ 25,727</u>  | <u>\$ 383,077</u>                  | <u>\$ 154,356</u>                         |

Loan payable: Under an agreement dated March 1, 2018, the Authority agreed to pay \$143,760 for parking equipment. The agreement calls for thirty-six monthly payments of \$4,422 beginning April 1, 2018. The agreement carries an interest rate of 6.5% per annum and is secured by the parking equipment. The principal balance at September 30, 2018, was \$118,033.

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018**

Principal and interest payments in subsequent years:

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u>  |
|-------------|-------------------|------------------|
| 2019        | \$ 46,525         | \$ 6,539         |
| 2020        | 49,764            | 3,300            |
| 2021        | 21,744            | 366              |
|             | <u>\$ 118,033</u> | <u>\$ 10,205</u> |

**Compensated Absences:** All employees receive 96 hours of sick leave per year with no maximum accrual. Vacation is received based on years of service. Those having one to two years of service receive 80 hours of vacation annually and the hours received increase 8 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 balance at September 30, 2018, was \$265,044.

Changes in long-term obligations for the year ended September 30, 2017, are as follows:

|                      | <u>Balance at<br/>10/01/2016</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance<br/>9/30/2017</u> | <u>Amount due<br/>within 1 year</u> |
|----------------------|----------------------------------|------------------|-------------------|------------------------------|-------------------------------------|
| Compensated absences | \$ 172,599                       | \$ 63,262        | \$ -              | \$ 235,861                   | \$ 99,831                           |

**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 \$125,471 and \$120,820 for the years ended September 30, 2018 and 2017, 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, 2018 and 2017.

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 \$85,214 and \$77,664 for the years ended September 30, 2018 and 2017.

**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 fuel supplier, one fixed-base operator, one concessionaire, one parking management company and three rental car agencies.

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018**

**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:

| Year Ended<br><u>September 30</u> |                      |
|-----------------------------------|----------------------|
| 2019                              | \$ 904,251           |
| 2020                              | 902,480              |
| 2021                              | 862,788              |
| 2022                              | 773,813              |
| 2023                              | 747,706              |
| 2024 to 2028                      | 3,606,150            |
| 2029 to 2033                      | 1,727,222            |
| 2034 to 2038                      | <u>602,662</u>       |
| Total                             | <u>\$ 10,127,072</u> |

**Note 10. 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, 2018 and 2017.

The following schedule shows the amounts collected and expended:

|   | <u>2018</u>     |                     | <u>2017</u>     |                     |
|---|-----------------|---------------------|-----------------|---------------------|
|   | <u>Receipts</u> | <u>Expenditures</u> | <u>Receipts</u> | <u>Expenditures</u> |
| PFC 14-09-C-00-SUN/<br>PFC 15-10-U-00-SUN | \$ 370,768      | \$ 331,402          | \$ 353,944      | \$ 352,557          |

**Note 11. Capital Contributions**

During the years ended September 30, 2018 and 2017, the Authority received the following capital contributions:

|                | <u>2018</u>         | <u>2017</u>       |
|----------------|---------------------|-------------------|
| Federal grants | \$ 2,106,461        | \$ 493,119        |
| Other sources  | -                   | 116,640           |
|                | <u>\$ 2,106,461</u> | <u>\$ 609,759</u> |

**FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018**

**Note 12. Commitments**

The Authority had four open grants from the U.S. Department of Transportation Airport Improvement Program (AIP) as of September 30, 2018. A summary of these projects is as follows:

Project Description

- AIP 43 Rehabilitate Runway; Acquire Snow Removal Equipment; Apron Expansion
- AIP 44 Conduct Environmental Study
- AIP 45 Expand North Terminal Apron
- AIP 46 Acquire Aircraft Rescue & Fire Fighting Vehicle and protective clothing; Acquire Snow Removal Equipment

|        | <u>Total<br/>Budget</u> | <u>Federal<br/>Awards</u> | <u>Expenditures<br/>to date</u> |
|--------|-------------------------|---------------------------|---------------------------------|
| AIP 43 | \$ 2,799,038            | \$ 2,624,098              | \$ 2,339,867                    |
| AIP 44 | 111,980                 | 104,981                   | 98,798                          |
| AIP 45 | 908,250                 | 851,484                   | 164,771                         |
| AIP 46 | <u>204,086</u>          | <u>191,331</u>            | <u>17,528</u>                   |
|        | <u>\$ 4,023,354</u>     | <u>\$ 3,771,894</u>       | <u>\$ 2,620,964</u>             |

**Note 13. 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.

In August 2018, the FAA approved the airport's Airport Layout Plan as part of the Airport Master Plan process started in 2014. FAA's approval finalized the master planning process. In addition to studying and planning for the future at the existing site, the master plan also studied potential replacement sites and include the development of a 20-year capital development plan with cost estimates for maintaining and enhancing the current airport as well as a replacement site. The cost estimate for a replacement site indicates significant local investment will be required. 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.

**Note 14. 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>2018</u> | <u>2017</u> |
|--------------------|-------------|-------------|
| Security services  | \$ 3,264    | \$ 3,264    |
| Utilities for FMAA | 18,263      | 24,331      |
| ARFF Training      | 964         | -           |

The amount due to the City of Hailey at September 30, 2018, is \$2,790 and was paid within 60 days. The amount due to the City of Hailey at September 30, 2017, is \$2,618 and was paid within 60 days.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2018

Blaine County, Idaho is one of the entities that created the Authority by entering into a Joint Powers Agreement. The Authority contracts with the Blaine County for an antenna at the Blaine County Public Safety Facility to enhance broadband access. The amounts paid for these services are as follows:

|           | <u>2017</u> | <u>2017</u> |
|-----------|-------------|-------------|
| Contracts | \$ -        | \$ 200      |

There was nothing due to Blaine County at September 30, 2018 or 2017.

**Note 15. Significant Non-cash Transactions**

The Authority engaged in a significant non-cash financing activity during the year ended September 30, 2018. Equipment was purchased by incurring a loan for \$143,760. There were no significant non-cash financing activities during the year ended September 30, 2018.

**Note 16. Subsequent Event**

On November 10, 2018, the Authority signed an agreement to acquire real property for a total purchase price of \$2,261,000. The purchase is contingent on the Authority obtaining grant funding from the FAA.



**SUPPLEMENTARY INFORMATION**

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL  
For the Year Ended September 30, 2018

|   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>                    | <u>Over</u>                     |
|---|-------------------------|---------------------|----------------------------------|---------------------------------|
|   | <u>Original</u>         | <u>Final</u>        | <u>Budgetary</u><br><u>Basis</u> | <u>(Under)</u><br><u>Budget</u> |
| <b>Operating Revenue:</b>                   |                         |                     |                                  |                                 |
| Airlines                                    | \$ 348,920              | \$ 348,920          | \$ 314,222                       | \$ (34,698)                     |
| Automobile rental                           | 753,080                 | 753,080             | 670,181                          | (82,899)                        |
| Auto parking                                | 289,200                 | 289,200             | 413,690                          | 124,490                         |
| Rents, fees, commissions and leases         | 1,729,400               | 1,729,400           | 1,671,837                        | (57,563)                        |
| Fuel flowage fees                           | 330,015                 | 330,015             | 350,473                          | 20,458                          |
| Other operating revenue                     | -                       | -                   | 4,572                            | 4,572                           |
| Total Operating Revenue                     | <u>3,450,615</u>        | <u>3,450,615</u>    | <u>3,424,975</u>                 | <u>(25,640)</u>                 |
| <b>Operating Expenses:</b>                  |                         |                     |                                  |                                 |
| Employee wages, benefits and taxes          | 1,739,185               | 1,739,185           | 1,526,059                        | (213,126)                       |
| Supplies                                    | 166,600                 | 166,600             | 131,429                          | (35,171)                        |
| Utilities                                   | 125,171                 | 125,171             | 132,323                          | 7,152                           |
| Services and contracts                      | 383,635                 | 383,635             | 618,222                          | 234,587                         |
| Repairs and maintenance                     | 403,210                 | 403,210             | 284,713                          | (118,497)                       |
| Insurance                                   | 64,509                  | 64,509              | 50,200                           | (14,309)                        |
| Other operating expense                     | 264,520                 | 264,520             | 192,759                          | (71,761)                        |
| Total Operating Expenses                    | <u>3,146,830</u>        | <u>3,146,830</u>    | <u>2,935,705</u>                 | <u>(211,125)</u>                |
| Operating Income                            | <u>303,785</u>          | <u>303,785</u>      | <u>489,270</u>                   | <u>185,485</u>                  |
| <b>Nonoperating Revenue and (Expenses):</b> |                         |                     |                                  |                                 |
| Passenger Facility Charges                  | 386,680                 | 386,680             | 370,752                          | (15,928)                        |
| Interest income                             | 10,940                  | 10,940              | 41,935                           | 30,995                          |
| Local match contributions                   | -                       | -                   | 171,563                          | 171,563                         |
| Federal grants                              | 275,000                 | 275,000             | 500,000                          | 225,000                         |
| Federal grant expenditures                  | -                       | -                   | (681,620)                        | (681,620)                       |
| Total Nonoperating Revenue and (Expenses)   | <u>672,620</u>          | <u>672,620</u>      | <u>402,630</u>                   | <u>(269,990)</u>                |
| Capital Contributions                       | <u>2,564,631</u>        | <u>2,564,631</u>    | <u>2,106,461</u>                 | <u>(458,170)</u>                |
| Capital Expenditures                        | <u>(3,960,257)</u>      | <u>(3,960,257)</u>  | <u>(2,793,799)</u>               | <u>1,166,458</u>                |
| Change in Net Position                      | <u>\$ (419,221)</u>     | <u>\$ (419,221)</u> | <u>\$ 204,562</u>                | <u>\$ 623,783</u>               |

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

RECONCILIATION OF BUDGETARY BASIS TO GAAP

For the Year Ended September 30, 2018

|  | <u>Actual<br/>Budgetary<br/>Basis</u> | <u>GAAP<br/>Basis</u> | <u>Difference</u>   | <u>Number of<br/>Explanation</u> |
|--|---------------------------------------|-----------------------|---------------------|----------------------------------|
| <b>Operating Revenue:</b>                    |                                       |                       |                     |                                  |
| Airlines                                     | \$ 314,222                            | \$ 314,222            | \$ -                |                                  |
| Automobile rental                            | 670,181                               | 670,181               | -                   |                                  |
| Auto parking                                 | 413,690                               | 413,690               | -                   |                                  |
| Rents, fees, commissions and leases          | 1,671,837                             | 1,671,837             | -                   |                                  |
| Fuel flowage fees                            | 350,473                               | 350,473               | -                   |                                  |
| Other operating revenue                      | 4,572                                 | 4,572                 | -                   |                                  |
| Total Operating Revenue                      | <u>3,424,975</u>                      | <u>3,424,975</u>      | <u>-</u>            |                                  |
| <b>Operating Expenses:</b>                   |                                       |                       |                     |                                  |
| Employee wages, benefits and taxes           | 1,526,059                             | 1,555,242             | 29,183              | 1                                |
| Supplies                                     | 131,429                               | 131,429               | -                   |                                  |
| Utilities                                    | 132,323                               | 132,323               | -                   |                                  |
| Services and contracts                       | 618,222                               | 618,222               | -                   |                                  |
| Repairs and maintenance                      | 284,713                               | 284,713               | -                   |                                  |
| Insurance                                    | 50,200                                | 50,200                | -                   |                                  |
| Other operating expense                      | 192,759                               | 192,759               | -                   |                                  |
| Depreciation                                 | -                                     | 3,481,752             | 3,481,752           | 2                                |
| Total Operating Expenses                     | <u>2,935,705</u>                      | <u>6,446,640</u>      | <u>3,510,935</u>    |                                  |
| Operating Income                             | <u>489,270</u>                        | <u>(3,021,665)</u>    | <u>(3,510,935)</u>  |                                  |
| <b>Nonoperating Revenue and (Expenses):</b>  |                                       |                       |                     |                                  |
| Passenger Facility Charges                   | 370,752                               | 370,768               | 16                  | 3                                |
| Interest income                              | 41,935                                | 41,919                | (16)                | 3                                |
| Gain (loss) on disposition of capital assets | -                                     | (9,022)               | (9,022)             | 5                                |
| Local match contributions                    | 171,563                               | 171,563               | -                   |                                  |
| Federal grants                               | 500,000                               | 500,000               | -                   |                                  |
| Federal grant expenditures                   | (681,620)                             | (681,620)             | -                   |                                  |
| Total Nonoperating Revenue and (Expenses)    | <u>402,630</u>                        | <u>393,608</u>        | <u>(9,022)</u>      |                                  |
| <b>Capital Contributions</b>                 | <u>2,106,461</u>                      | <u>2,106,461</u>      | <u>-</u>            |                                  |
| <b>Capital Expenditures</b>                  | <u>(2,793,799)</u>                    | <u>-</u>              | <u>2,793,799</u>    | 4                                |
| <b>Change in Net Position</b>                | <u>\$ 204,562</u>                     | <u>\$ (521,596)</u>   | <u>\$ (726,158)</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. Interest earned on PFCs is budgeted as interest income but is reportable as PFC revenue for GAAP.
4. Capital asset purchases are budgeted as an expense but are reported as an asset for GAAP.
5. Gain or loss on disposition of capital assets is not budgeted but is reported for GAAP.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year Ended September 30, 2018

| <b>Federal Grantor Program Title:</b>              | <b>Federal CFDA<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|--|--------------------------------|---------------------------------------|
| <u>Department of Transportation Programs</u>       |                                |                                       |
| Airport Improvement Program                        | 20.106                         | \$ 2,106,461                          |
| Small Community Air Service Development Program    | 20.930                         | 500,000                               |
| <i>Total Department of Transportation Programs</i> |                                | <u>2,606,461</u>                      |
| <b>Total Expenditures of Federal Awards</b>        |                                | <u>\$ 2,606,461</u>                   |

See accompanying notes to schedule of expenditures of federal awards.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES  
 Year Ended September 30, 2018 and Each Quarter During the Year Ended September 30, 2018  
 With Cumulative Totals as of September 30, 2018

|  | September 30,<br>2017<br><u>Program Total</u> | Quarter 1<br>October to<br><u>December</u> | Quarter 2<br>January to<br><u>March</u> | Quarter 3<br>April to<br><u>June</u> | Quarter 4<br>July to<br><u>September</u> | Year Ended<br>September 30,<br><u>2018 Total</u> | September 30,<br>2018<br><u>Program Total</u> |
|--|---|--|---|--------------------------------------|--|--|---|
| <b>Revenue:</b>                                  |   |  |   |                                      |  |  |   |
| Collections                                      | \$ 873,222                                    | \$ 85,890                                  | \$ 94,862                               | \$ 78,292                            | \$ 111,707                               | \$ 370,751                                       | \$ 1,243,973                                  |
| Rollover from prior PFC                          | 84,403  | -  | -                                       | -                                    | -  | -  | 84,403  |
| Interest   | 848   | 4  | 4                                       | 2                                    | 6  | 16   | 864   |
| <b>Total Revenue</b>                             | <u>958,473</u>                                | <u>85,894</u>                              | <u>94,866</u>                           | <u>78,294</u>                        | <u>111,713</u>                           | <u>370,767</u>                                   | <u>1,329,240</u>                              |
| <b>Disbursements:</b>                            |   |  |   |                                      |  |  |   |
| <b>Application 14-09-C-00-SUN/15-10-U-00-SUN</b> |   |  |   |                                      |  |  |   |
| 001 RSA Formulation                              | 44,375  | -  | -                                       | -                                    | -  | -  | 44,375  |
| 002 Acquire SRE                                  | 189,631                                       | 57,400                                     | 123,000                                 | 77,000                               | 25,248                                   | 282,648  | 472,279                                       |
| 003 Master Tax Plan                              | 550,000                                       | -  | -                                       | -                                    | -  | -  | 550,000                                       |
| 004 Relocate SW Taxilane Bypass                  | 83,480  | -  | -                                       | -                                    | -  | -  | 83,480  |
| 005 Relocate GA Apron                            | 67,208  | -  | -                                       | -                                    | -  | -  | 67,208  |
| 006 Perimeter Fence Relocation                   | -   | -  | -                                       | -                                    | 11,365                                   | 11,365   | 11,365  |
| 007 RSA Grading                                  | -   | -  | -                                       | -                                    | 37,387                                   | 37,387   | 37,387  |
| 009 Relocate Power to PAPI                       | 5,196   | -  | -                                       | -                                    | -  | -  | 5,196   |
| 019 PFC Administration                           | 16,920  | -  | -                                       | -                                    | -  | -  | 16,920  |
| <b>Total Disbursements</b>                       | <u>956,810</u>                                | <u>57,400</u>                              | <u>123,000</u>                          | <u>77,000</u>                        | <u>74,000</u>                            | <u>331,400</u>                                   | <u>1,288,210</u>                              |
| <b>Net PFC Revenue</b>                           | <u>\$ 1,663</u>                               | <u>\$ 28,494</u>                           | <u>\$ (28,134)</u>                      | <u>\$ 1,294</u>                      | <u>\$ 37,713</u>                         | <u>\$ 39,367</u>                                 | <u>\$ 41,030</u>                              |
| <b>PFC Account Balance</b>                       | <u>\$ 1,663</u>                               | <u>\$ 30,157</u>                           | <u>\$ 2,023</u>                         | <u>\$ 3,317</u>                      | <u>\$ 41,030</u>                         | <u>\$ 41,030</u>                                 | <u>\$ 41,030</u>                              |

See accompanying notes to Schedule of Expenditures of Passenger Facility Charges