



Financial Statements
June 30, 2021

Jackson Hole Airport Board

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Independent Auditor's Report

To the Board of Directors
Jackson Hole Airport Board
Jackson, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements, of Jackson Hole Airport Board (the Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Board, as of June 30, 2021, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer's share of net pension liability and of employer's contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of *Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award Uniform Guidance*, and is not a required part of the financial statements. The schedule of passenger facility charges collected and expended is also presented for purposes of additional analysis, as specified in the Passenger Facility Charge Audit Guide for Public Entities, by the Federal Aviation Administration and is not a required part of the basic financial statement of the Jackson Hole Airport Board.

The schedule of expenditures of federal awards and the schedule of passenger facility charges collected and expended are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of passenger facility charges collected and expended are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2021 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 6, 2021

The Jackson Hole Airport Board (the Board) is the operator and proprietor of the Jackson Hole Airport (the "Airport"), located north of the Town of Jackson, in Teton County, Wyoming. The Airport Board offers readers of its Financial Statements this narrative overview of its financial activities for the fiscal year ended June 30, 2021 (the "Fiscal Year"). This narrative responds to the requirements of Government Accounting Standards Board ("GASB") No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Financial Highlights. Financial highlights for this fiscal year are as follows:

- The total net position, which represents the residual interest in the Airport Board's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, increased by \$13,976,505 or 12.35% from last fiscal year.
- As of the close of the fiscal year, the Airport Board's unrestricted cash and investments balance was \$21,692,800 (excluding PFCs and CFCs). Of this, \$810,323 was invested in Certificates of Deposit in a federally insured institution, having maturities of greater than three months.
- The Airport Board's total long-term debt excluding the unfunded pension and compensated absences decreased by \$2,771,546 during the current fiscal year.
- With the start of the summer tourist season in 2020, the Airport Board's total operating revenue rebounded back from the negative economic impacts of the COVID-19 pandemic from the previous year resulting in an increase by \$3,425,184 during the year.
- The Airport Board welcomed new air carriers Alaska Airlines, Allegiant Airlines and Sun Country as well as the return of Frontier Airlines this year, and adding Boston and Charlotte as new destinations, resulting in an overall increased in airline landing fees and rent by \$1,483,061 over last fiscal year.
- The increase on inbound passengers also resulted in increased rental car revenue and related fees by \$1,002,756 compared to last year.

Overview of the Financial Statements. The discussion and analysis are intended to serve as an introduction to the Airport Board's financial statements. The Airport Board's financial statements are comprised of basic financial statements which include all assets, deferred outflows, liabilities, deferred inflows, revenue and expenses, required supplementary information reflecting changes in employer's share of net pension liability and employer's contributions and supplementary information. In addition, this financial report includes a schedule of passenger facility charges collected and expended, a single audit section listing all Federal grants, a report on compliance with the Uniform Guidance, and a summary of the auditor's findings.

Basic Financial Statements. The Basic Financial Statements are made up of four components: (1) Statement of Net Position, at page 9-10; (2) Statement of Revenues, Expenses and Changes in Net Position, at pages 11-12; (3) Statement of Cash Flows, at pages 13-14; and (4) Notes to Financial Statements, at pages 15-29. These are designed to provide readers with a broad overview of the Airport Board's finances, in a manner similar to a private sector business.

Required Supplementary Information. Required supplementary information consists of the Schedule of Employer's Share of Net Pension Liability and the Schedule of Employer's Contributions. The schedules show historical pension and employer contribution data over 7 years and are required by the Government Accounting Standards Boards (GASB).

Net Position

The Statement of Net Position presents the financial position of the Airport Board at the end of the fiscal year. The statement includes all assets and liabilities of the Airport Board. Net Position is the difference between total assets plus deferred outflows and total liabilities plus deferred inflows and is an indicator of the current fiscal health of the Airport Board.

A summary of the Airport Board's assets, liabilities, deferred outflows and inflows, and net position is shown below:

	2021	2020
Assets		
Current and other assets	\$ 34,033,345	\$ 18,954,888
Capital assets, net	119,270,088	122,984,629
Total assets	153,303,433	141,939,517
Deferred Outflows of Resources	1,392,864	1,651,511
Liabilities		
Current liabilities	4,572,731	5,075,139
Long-term liabilities	21,365,835	24,097,565
Total liabilities	25,938,566	29,172,704
Deferred Inflows of Resources	1,634,871	1,271,969
Net position		
Net investment in capital assets	103,113,078	104,056,071
Restricted	5,666,582	5,040,242
Unrestricted	18,343,200	4,050,042
Total net position	\$ 127,122,860	\$ 113,146,355

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Airport Board, assets exceeded liabilities by \$127,122,860 at the close of the fiscal year.

Eighty one percent of the total net position (\$103,113,078) reflects net investment in capital assets (buildings, runways, equipment and infrastructure) less any related outstanding debt used to acquire those assets. The Board uses these capital assets to operate the airport; consequently, these assets are not available for future spending. Although the Board's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from airport revenue or other sources acquired by the Airport, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining nineteen percent of the Board's net position represent resources that are restricted as well as unrestricted. The restricted resources (\$5,666,582) are subject to external restrictions on how they are used. These restrictions are due to covenants made to the holders of the Board's revenue bonds. The unrestricted net position resources (\$18,343,200) will be used to meet any of the Airport Board's ongoing operational needs and non-grant projects of the Airport. The change in unrestricted position resulted mainly to receipts of CARES Act funding.

Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position separately describe operating revenues and operating expenses by logical categories; non-operating revenues made up of interest, passenger facilities charge (PFC) fees, customer facility charge (CFC) fees and capital contributions.

The Airport Board's total operating and non-operating revenues including capital contributions of \$3,048,162 exceeded total operating and non-operating expenses for an increase in net position of \$13,976,505. A summary of revenues and expenses is shown below:

	2021	2020
Program revenues	\$ 27,162,288	\$ 23,737,104
Program expenses	30,612,657	27,781,198
Loss from operations	(3,450,369)	(4,044,094)
Non-operating revenues and (expenses)		
Interest income	18,852	32,563
Interest expense	(780,785)	(909,119)
Non-capital grant	40,000	-
CARES Act funding	11,924,652	4,562,627
Passenger facilities fees	1,437,225	1,555,979
Customer facility fees	1,663,326	1,729,547
Gain (loss) on disposal of capital asset	75,441	(10,934)
Total non-operating revenues and (expenses)	14,378,712	6,960,663
Income before capital contributions	10,928,343	2,916,569
Capital contributions	3,048,162	4,545,284
Change in Net Position	13,976,505	7,461,853
Net Position, Beginning of Year	113,146,355	105,684,502
Net Position, End of Year	\$ 127,122,860	\$ 113,146,355

Analysis of Significant Changes. For the fiscal year ending June 30, 2021, significant changes in the Airport Board's finances are discussed as follows:

General Comments. Operating revenues and expenses from year to year will depend to a significant degree upon the Airport's aircraft and passenger volume. For instance, fees received from many airport tenants are on a "percentage of gross" basis; parking revenues are directly related to parking lot usage; landing fees and fuel revenues are directly related to the volume of aircraft activity. Operating revenues can therefore be expected to mirror future changes in aircraft and passenger volumes. However, operating expenses do not immediately and automatically mirror aircraft and passenger volume and must therefore be closely monitored and adjusted by airport management when appropriate.

Capital outlays are funded in large part through grant revenues and PFC project reimbursements. Grant revenues are largely dependent on the appropriation of federal funds, and the Airport's aircraft and passenger volume upon which the level of grant funding is partially based. The amount of PFC fees is directly related to passenger volumes. Lack of availability of one or both sources of revenue could limit the Airport Board's ability to make capital outlays in the future.

The Airport Board operates passenger security screening services under a contract from the Transportation Security Administration. Security screening reimbursements and expenses both reflect operations under that contract, which goes through February 28, 2022 if TSA chooses to exercise all the contract option terms. Should the contract not be renewed, both revenues and expenditures will simultaneously, or nearly simultaneously, terminate.

May 4, 2020, the Board was awarded \$16,494,770 under the CARES Act. During fiscal year 2021, the Airport requested reimbursement from this program and recognized the revenue of \$11,924,652 for operating costs incurred during the year.

During fiscal year 2021, FAA awarded the Board grants of \$25,600,000 (100% FAA share) and \$2,934,400 (93.75% FAA share) to finance the complete reconstruction of the Airport's current runway 1/19 as it reached the end of its life cycle. The Airport will close the runway for 78 days to both airline and general aviation operations from April 11th, 2022 to June 28th, 2022.

Cash Position

Cash (including amounts restricted from PFC, CFC, and Loan Settlement/Sinking Fund) increased from \$8,380,876 to \$24,079,264, an increase of \$15,698,388 over the last fiscal year. This was mainly due to increased operational revenue and reimbursements from CARES Act and landside terminal projects.

Accounts Payable and Retainage Payable

Accounts payable and retainage payable at the end of the fiscal year increased from \$763,571 to \$1,231,548, an increase of \$467,978 from the last fiscal year, due to increased volume of on-going projects at the airport.

Operating Revenues

Overall operating revenue increased by \$3,425,184 compared to last year. This increase was mainly due to increased airline fees and rent by \$1,483,061, rental car fees and rent by \$1,002,756 and fuel revenue and related fees by \$665,336.

Operating Expenses

Operating expenses increased from \$27,781,198 to \$30,612,657, an increase of \$2,831,459 over the last fiscal year, due mainly to increased depreciation costs on completed capitalized projects.

Non-Operating Revenues and Expenses

Non-operating revenues (and expenses) increased from \$6,960,663 to \$14,378,712, an increase of \$7,418,049 over the last fiscal year primarily due to the recognition of non-operating revenue of \$11,924,652 from the CARES Act funding.

Capital Assets

At the end of June 30, 2021, the Airport reported \$103,113,078 in net investment in capital assets, a decrease of \$942,993 over last year of \$104,056,071. This resulted from decreased capital assets (due to depreciation) and decreased long-term liability (due to principal payments – see next paragraph) (See Note 3 for more information).

Long-Term Debt Activity

The Airport repaid \$2,771,546 in long-term debt during the year ended June 30, 2021. The Airport has four revenue bonds totaling \$16,157,011 outstanding as of June 30, 2021. One of the issued revenue bonds will expire next fiscal year (see Note 4 for more information).

Economic Outlook

The pandemic had a worldwide impact on air travel. Most markets continue to see activity below pre-pandemic fiscal year 2020 numbers, however, certain destinations have recovered and, in some cases, seen increases during the fiscal year 2021. Jackson is one of those markets as evidenced by the airport's passenger traffic recovery. The fiscal year 2021 enplanements have been 3.9% above fiscal year 2020. The airlines felt that Jackson was a strong market with the addition of a new air service carrier during the winter, and this trend continued through the spring/summer with the addition of three additional air carriers and two new non-stop destinations. While demand for air service has increased, the capacity of the airlines to respond and provide additional service is unknown due to aircraft and airline staff shortages. The pandemic has made forecasting extremely difficult and it may be several years before the true impacts can be truly known.

Requests for Information

This financial report is designed to provide a general overview of the Jackson Hole Airport Board's finances for all those with interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrative Offices of the Board at the following address:

Jackson Hole Airport Board
P.O. Box 159
1250 East Airport Road
Jackson, Wyoming 83001
Phone: (307) 733-7695
Email: info@jhairport.org

Jackson Hole Airport Board
Statement of Net Position
June 30, 2021

Assets	
Current Assets	
Cash in bank and on hand	\$ 20,882,477
Investments	810,323
Accounts receivable	2,155,292
Receivable from state and federal governments	3,558,946
Prepaid expenses	672,185
Inventory	287,539
Total current assets	28,366,762
Noncurrent Assets	
Restricted cash - passenger facility charges	15,507
Restricted cash - customer facility fees	1,834,929
Restricted cash for loan settlement / sinking fund	1,346,351
Restricted investments - sinking funds	2,469,795
Capital assets not being depreciated	7,988,702
Capital assets being depreciated	180,573,701
Accumulated depreciation	(69,292,315)
Total noncurrent assets	124,936,671
Total assets	153,303,433
Deferred Outflows of Resources-Pension	
Employer contributions subsequent to the measurement date	533,150
Changes in proportion	678,869
Changes in assumptions	44,545
Changes in experience	136,300
Total deferred outflows of resources	1,392,864
Total assets and deferred outflows of resources	\$ 154,696,297

Jackson Hole Airport Board
Statement of Net Position
June 30, 2021

Liabilities	
Current Liabilities	
Accounts payable	\$ 1,121,855
Accrued wages payable	458,027
Bond payable	2,338,734
Compensated absences	128,922
Interest payables	57,303
Refundable deposits	358,197
Retainage payable	109,693
Total current liabilities	4,572,731
Noncurrent Liabilities	
Compensated absences	375,031
Bond payable	13,818,277
Net pension liability	7,172,527
Total noncurrent liabilities	21,365,835
Total liabilities	25,938,566
Deferred Inflows of Resources-Pension	
Net difference between projected and actual investment earnings	1,572,502
Differences between expected and actual experience	62,369
Total deferred inflows of resources	1,634,871
Net Position	
Net investment in capital assets	103,113,078
Restricted for passenger facility charges expenditures	15,507
Restricted for customer facility charges expenditures	1,834,929
Restricted for loan settlement / sinking fund	3,816,146
Unrestricted	18,343,200
Total net position	127,122,860
Total liabilities, deferred inflows of resources and net position	\$ 154,696,297

Jackson Hole Airport Board
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021

Operating Revenues	
Airline landing fees and rent	\$ 7,777,075
Rental car revenues and related fees	5,416,766
Security screening reimbursement (TSA)	7,355,250
LEO service reimbursement contract (TSA)	77,050
Fuel revenue and related fees	4,538,704
Parking and ground transportation income	1,175,590
Food and beverage concession and related fees	450,577
Gas tax refund	259,693
Miscellaneous	111,584
	<hr/>
Total operating revenues	27,162,288
Operating Expenses	
Capital maintenance	403,137
Depreciation	10,089,395
Dues and subscriptions	38,456
Environmental management	1,099,896
Fire rescue training and supplies	54,355
Franchise fees	583,394
Fuel	85,725
Fuel farm cost of sales and related expenses	1,888,907
Insurance	717,728
Repairs, maintenance and supplies	1,916,643
Miscellaneous	40,802
Office expenses	272,289
Payroll taxes and benefits	4,440,670
Professional fees	469,969
Public and employee relations	169,481
Salaries	6,920,908
Screening	116,207
Security	660,088
Snow removal	66,551
Telephone	46,419
Travel, meeting and training	36,974
Utilities	494,663
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Total operating expenses	30,612,657
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Loss from operations	(3,450,369)
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Jackson Hole Airport Board
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021

Non-Operating Revenues and (Expenses)	
Interest income	18,852
Interest expense	(780,785)
Non-capital grants	40,000
Cares Act funding	11,924,652
Passenger facilities fees	1,437,225
Customer facility fees	1,663,326
Gain on disposals of capital assets	75,441
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Total non-operating revenues and (expenses)	14,378,712
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Income before Capital Contributions	10,928,343
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Capital Contributions	3,048,162
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Change in Net Position	13,976,505
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Total Net Position, Beginning of Year	113,146,355
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Total Net Position, End of Year	<u>\$ 127,122,860</u>

Jackson Hole Airport Board
Statement of Cash Flows
Year Ended June 30, 2021

Operating Activities	
Cash received from operations	\$ 26,246,349
Cash payments to suppliers for services	(9,704,336)
Cash payments to employees for services	<u>(11,015,040)</u>
Net Cash from Operating Activities	<u>5,526,973</u>
Capital and Related Financing Activities	
Acquisitions and construction of property and equipment	(6,388,121)
Proceeds from the disposal of capital assets	88,707
Passenger facilities reimbursements received	1,437,225
Customer facility charges received	1,663,326
Principal payments on bonds payable	(2,771,547)
Interest payments on bonds payable	(787,010)
Grants received from local government	40,000
Grants received from State and Federal governments	<u>16,582,879</u>
Net Cash from Capital and Related Financing Activities	<u>9,865,459</u>
Investing Activities	
Repayments of advances by employees	10,950
Current year reclassification of investment account to cash	277,164
Interest on investments	<u>17,842</u>
Net Cash from Investing Activities	<u>305,956</u>
Net Increase in Cash	15,698,388
Cash in Bank and on Hand, Beginning of Year	<u>8,380,876</u>
Cash in Bank and on Hand, End of Year	<u>\$ 24,079,264</u>
Statement of Net Position	
Cash in bank and on hand	\$ 20,882,477
Restricted cash-passenger facility fees	15,507
Restricted cash-customer facility fees	1,834,929
Restricted for loan settlement / sinking fund	<u>1,346,351</u>
Total Cash in Bank and on Hand	<u>\$ 24,079,264</u>

Jackson Hole Airport Board
Statement of Cash Flows
Year Ended June 30, 2021

Reconciliation of Loss from Operations to Net Cash from Operating Activities

Loss from operations	\$ (3,450,369)
Adjustments to reconcile loss from operations to net cash from operating activities	
Depreciation	10,089,395
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities	
Accounts receivable	(915,939)
Prepaid expenses	(320,745)
Inventory	(40,553)
Deferred outflows of resources	258,647
Accounts payable	379,301
Retainage payable	88,678
Deferred inflows of resources	362,902
Refundable deposits	(649,333)
Accrued wages payable	83,191
Compensated absences	(1,157)
Net pension liability	(357,044)
Net Cash from Operating Activities	<u>\$ 5,526,973</u>

Note 1 - Principal Business Activity and Significant Accounting Policies

Reporting Entity and Organization

The Jackson Hole Airport Board (the Board) is the level of government which has governing responsibilities over all activities related to the Jackson Hole Airport (the Airport). The Board is a joint powers board created by the Town of Jackson and County of Teton, as authorized by Wyoming Statute Sections 10-5-201 through 10-5-204. Though created by joint action of the Town and County, the Board is a separate and distinct governmental entity and “body corporate.”

The Board receives funding from state and federal government sources and must comply with the requirements of these funding source entities. The Board serves as the nucleus for the reporting entity under the provisions of GASB Statement No. 14, 39 and 61 for its basic financial statements. Using this premise, the Board is not financially accountable for any other organizations; thus, the report includes only the financial statements of the Board. The Board has no component units, nor is it considered a component unit of any other government.

The Board operates in Grand Teton National Park under an agreement with the U.S. Department of Interior. The operating agreement between the Board and U.S. Department of Interior expires in 2053. The Board pays a user fee to the U.S. Department of Interior equal to three percent of the first \$4,000,000 of eligible operating receipts and four percent of any eligible operating receipts in excess of \$4,000,000.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements are reported using the economic resources measurements focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the Board’s enterprise fund are charges to users of the airport facilities. Operating expenses for the enterprise fund include the cost of providing the services for the airport, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Receivables

The Board recognizes bad debts at the time specific accounts become doubtful of collection; accordingly, accounts receivable is included in the accompanying statement of net position at face value with no provision for losses thereon. This form of presentation is preferable due to the nature of receivables and the immaterial amounts of doubtful collections involved. Federal and state reimbursement-type grants are recorded as receivables and revenue when the related expense is incurred.

Cash in Bank and on Hand

For purposes of the cash flow statement, the Board considers cash in bank, cash on hand (petty cash), demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash in bank and on hand.

Investments

Investments for the Board are reported at fair value. Fair value is determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as the measurement date. The investment policy allows the Board to invest in U.S. Treasury instruments, certificates of deposits which are fully insured by the FDIC or fully secured by a pledge of U.S. Treasury instruments, and the Wyoming State Treasurer's Asset Reserve as permitted by Wyoming Statutes. Management reviews statements of investments monthly to identify significant downturns which might affect the fair value measurements of investments.

Inventory and Prepaid Items

Inventory consists of avgas, unleaded gas, dyed diesel, and glycol and is valued at the lower of cost or market using the first in/first out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., runways and aprons), are reported in the basic financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Depreciation is recorded on the straight-line basis over the estimated useful lives of the properties. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10 to 40
Apron/Taxiways/Runways	10 to 20
Equipment	5 to 10
Furniture, fixtures and computer equipment	5 to 10
Vehicles including fire trucks	5 to 10
Landside terminal expansion	15 to 39
RFC-QTA facility	15
Wastewater conveyance system	7

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Board only has one item that qualifies for reporting in this category. The Board reports deferred outflows of resources for pension plan items.

Deferred Inflows of Resources

In addition, to the liabilities, the statement of net position may sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one item that qualifies for reporting in this category. The Board reports deferred inflow of resources for pension plan items.

Compensated Absences

Compensated absences (paid time off) are accrued based on an employee's years of employment. Employees receive 128 hours of compensated absences in their first through fourth year of employment, 168 hours in their fifth through ninth year of employment, and 208 hours in their tenth year of employment and beyond. Carryover of compensated absences is limited to 288 hours for both non-exempt and exempt employees. Unused sick leave hours are not paid out upon termination and are not accrued as a liability in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates of the pension liability are especially significant to the Board. It is reasonably possible that this estimate will change within one year of the date of the financial statements due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

Net Position

Net position is reported as restricted when constraints placed on net position use are externally imposed by creditors (such as debt covenants, grantors, contributors, or laws of regulations of other governments), or when use is constrained through enabling legislation. Net investment in capital assets represents the Board's investment in capital assets (net of accumulated depreciation) reduced by related debt. When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Passenger Facility Charge (PFC) Funds

PFC funds are collected based on an approved FAA application to "impose" charges on enplaned passengers at the Airport. These funds are restricted for "use" on designated capital projects and any debt incurred to finance the construction of these projects.

By letter dated November 29, 1993, the FAA issued a Record of Decision to the Airport that authorized the collection and expenditure of PFC revenue. PFC's are imposed on enplaning passengers by airports for the purpose of generating resources for airport projects that increase capacity, increase safety, security, or that mitigate noise impacts. In the first application, the Airport received approval for a \$3 PFC to finance projects totaling approximately \$375,000. Collection for the first application began in 1994. There were number of amendments to the Records of Decision since 1994. These amendments have increased the authorized collections and project expenditures to approximately \$39,383,556 in total. Additionally, the May 18, 2001 Record of Decision amended the PFC rate to increase the collection level to \$4.50. Passenger Facility Charges collected are reported as restricted assets.

Rental Car Facility Fee (CFC)

The Board has an on-airport rental car facility charge to be collected by on-airport rental car companies from their customers entering into a motor vehicle agreement and paid over to the Board for the purpose of financing and payment of the planning, design, enabling, construction, improvement and/or repair of facilities and improvements which benefit the on-airport rental car companies. The current car facility charge is \$5 per vehicle per transaction day with no cap on the number of transaction days. Car facility charges are recorded as restricted assets. The car facility charges commenced on August 1, 2010 and will continue until terminated by the Board.

Bond Sinking Funds

Certain cash and investment accounts are restricted through bond agreements in order to comply with mandatory sinking fund redemption requirements.

Revenue Recognition

Additional types of Airport revenue are recognized as follows:

Airfield Landing Fees

Landing fees are principally generated from scheduled passenger and cargo carriers, as well as non-scheduled commercial aviation, and are based on the landed weight of the aircraft. The estimated landing fee structure is determined annually pursuant to an agreement between the Airport and each of the signatory airlines based on the Certified Gross Weight of the aircraft landed. Landing fees are recognized as revenue when the related facilities are utilized.

Terminal Rents and Concessions

Rental and concession fees are generated from airlines, parking facilities, food and beverage operations, rental car agencies, advertisers, and other commercial tenants. Leases are for terms from one to five years and generally require rentals based on the volume of business; specific minimum annual rental payments are required for some of the leases. Rental revenue is recognized over the life of the respective leases and concession revenue is recognized based on reported concessionaire revenue.

Fuel Farm Facility

The fuel farm provides fuel and glycol to the fixed based operator and the airlines at FIFO cost plus Board approved administration fee.

Grant Revenue and Capital Contributions

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Wyoming Retirement System's Public Employer Pension Plan (WRS Plan) and additions to/deductions from the WRS Plan fiduciary net position have been determined on the same basis as they are reported by the WRS Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investment are reported at fair value.

Note 2 - Investments

As of June 30, 2021, all the Board's investments consisted of Certificates of Deposit with maturity dates no greater than one year and interest rates ranging from 0.35% to 1.02%. In addition, the Board had \$12,939,318 in WYO-STAR, which is a government investment pool, established in 1987 offered exclusively to Wyoming governmental entities. The value of the Board's investment in WYO-STAR is equal to the value of its share in WYO-STAR. Amounts held in WYO-STAR are considered cash and cash equivalents. The interest earned for the year was \$15,924 with a current yield rate of 0.2560.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board's investments and cash are held in certificates of deposit and in external pooled investment accounts with a focus on liquidity. As a means of limiting its exposure to fair value losses arising from interest rates, the Board's approach is to match investment maturities with its expected cash flow needs. With this investment focus, investment and cash are expected to reach maturity with limited gains and losses. The Board's policy is to invest fund in excess of cash flow requirements in instruments maturing more than one (1) year from the date of purchase to the extent possible. The weighted average maturity for the WYO-STAR government investment pool is not calculated.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. On June 30, 2021, the Board was not exposed to credit risk as respects to investments held in certificates of deposit. With respect to funds held at WYO-STAR, the Board has invested monies at fixed contract rate of interest. WYO-STAR pool is not rated.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be redeemable to it. State Statutes require that if the Board's deposits more than the federal depository insurance the amount be collateralized. On June 30, 2021, the Board's deposits, excluding WYO-STAR investments, were collateralized as required by statutes and Board policy with securities held by the pledging financial institution's trust department or agent, in joint custody of the bank and the Board.

	Wells Fargo	Bank of the West	First Interstate Bank	Total
Bank balances	\$ 10,001,924	\$ 2,573,103	\$ 3,486,986	\$ 16,062,013
FDIC insurance	(250,000)	(250,000)	(250,000)	(750,000)
Uninsured	9,751,924	2,323,103	3,236,986	15,312,013
Collateralized with securities held by the pledging financial institution's trust department in the Board's name	(9,477,861)	(3,099,386)	(19,431,563)	(32,008,810)
Uninsured and uncollateralized	\$ 274,063	\$ -	\$ -	\$ 274,063

Note 3 - Property and Equipment

A summary of changes in capital assets follows:

	Beginning Balance <u>July 1, 2020</u>	<u>Additions</u>	Deletions, Transfers and Reclassifications	Ending Balance <u>June 30, 2021</u>
Capital assets, not being depreciated				
Art - terminal building	\$ 752,477	\$ 7,500	\$ -	\$ 759,977
Construction in progress	2,205,219	5,343,786	(320,280)	7,228,725
	<u>2,957,696</u>	<u>5,351,286</u>	<u>(320,280)</u>	<u>7,988,702</u>
Capital assets, being depreciated				
Apron/taxiway/runway	16,613,950	320,283	40,376,589	57,310,822
Buildings and runways	107,682,764	86,110	(41,452,534)	66,316,340
Equipment	5,779,785	159,341	(13,405)	5,925,721
Fuel farm facility	13,340,277	-	-	13,340,277
Furniture, fixtures and computer equipment	654,567	391,382	(6,354)	1,039,595
Landside terminal expansion	16,694,066	-	1,075,945	17,770,011
RCF-QTA Facility	11,582,967	-	-	11,582,967
Vehicles including fire trucks	4,128,119	400,000	(477,017)	4,051,102
Wastewater conveyance system	3,236,866	-	-	3,236,866
Total capital assets, being depreciated	<u>179,713,361</u>	<u>1,357,116</u>	<u>(496,776)</u>	<u>180,573,701</u>
Less accumulated depreciation	<u>(59,686,428)</u>	<u>(10,089,395)</u>	<u>483,508</u>	<u>(69,292,315)</u>
Total capital assets, being depreciated, net	<u>120,026,933</u>	<u>(8,732,279)</u>	<u>(13,268)</u>	<u>111,281,386</u>
Capital assets, net	<u>\$ 122,984,629</u>	<u>\$ (3,380,993)</u>	<u>\$ (333,548)</u>	<u>\$ 119,270,088</u>

Depreciation expense for the year ended June 30, 2021 was \$10,089,395.

Note 4 - Long-Term Debt, Long-Term Liabilities and Pledged Revenue

The following is a summary of changes in long-term debt and long-term liabilities of the Board for the year ended June 30, 2021:

	Balance June 30, 2020	New Debt Incurred	Debt Retired	Balance June 30, 2021	Due Within One Year
BOW S.2013 Revenue Bond	\$ 1,135,389	\$ -	\$ 222,924	\$ 912,465	\$ 229,020
BOW S.2018A Revenue Bond	7,190,171	-	755,359	6,434,812	789,980
FIB S.2018B Revenue Bond	9,630,000	-	1,070,000	8,560,000	1,070,000
FIB S.2018C Revenue Bond	972,996	-	723,263	249,734	249,734
Total long-term debt	18,928,557	-	2,771,546	16,157,011	2,338,734
Compensated absences	505,110	154,342	155,499	503,953	128,922
	<u>\$ 19,433,667</u>	<u>\$ 154,342</u>	<u>\$ 2,927,045</u>	<u>\$ 16,660,964</u>	<u>\$ 2,467,656</u>

On October 10, 2018, the Board issued ten (10) Series 2018B revenue bonds (“Bond”) totaling \$10,700,000 to finance the cost incurred in connection with the design and construction of the rental car quick-turn-around facility. Each revenue bond will mature November 1st of every year. The interest rates for these bonds range from 4.279% to 4.968%. Interest payments are due monthly based on a ten year fully amortized note until all the bonds are retired. Payment of bond and interest will come from CFCs collected from rental cars. There is no prepayment penalty on the Bond. Pledged revenues totaled \$1,663,326 compared to debt service of \$1,509,611 for the year ended June 30, 2021. The annual requirements to pay principal and interest on this bond are as follows:

Years ending June 30,	FIB Series 2018B Revenue Bonds		
	Principal	Interest	Total
2022	\$ 1,070,000	\$ 389,250	\$ 1,459,250
2023	1,070,000	337,768	1,407,768
2024	1,070,000	286,294	1,356,294
2025	1,070,000	232,741	1,302,741
2026	1,070,000	179,375	1,249,375
Thereafter	3,210,000	216,082	3,426,082
	<u>\$ 8,560,000</u>	<u>\$ 1,641,510</u>	<u>\$10,201,510</u>

On October 10, 2018, the Board also issued Series 2018C revenue bond (“Bond”) in the amount of \$2,100,000 at an annual fixed rate of 5% to finance the retirement of the Wyoming Business Council bonds. Principal and interest payments are due monthly based on a three year fully amortized note. Payment of bond and interest will come from PFCs and airport cash. There is no prepayment penalty on the Bond. Pledged revenues were \$1,437,225 compared to debt service of \$756,105 for the year ended June 30, 2021. The annual requirements to pay principal and interest on this bond are as follows:

Year ending June 30,	FIB Series 2018C Revenue Bonds		
	Principal	Interest	Total
2022	\$ 249,734	\$ 2,582	\$ 252,316
	\$ 249,734	\$ 2,582	\$ 252,316

In June 2018, the Board issued Series 2018A revenue bond (“Bond”) in the amount of \$8,500,000 at an annual fixed rate of 4.05% to finance the cost incurred in connection with the design and construction of the new fuel facility. Principal and interest payments are due monthly based on a ten year fully amortized bond. The maturity of the Bond is the twelfth anniversary of the closing date of the Bond, unless extended by the Bank in writing. Only interest is required to be repaid during the draw period for a maximum of 24 months. Fuel facility fees of \$0.25 per gallon are pledged towards repayment of the Bond. The Bond is subject to redemption prior to the stated maturity, at the option of the Board. There is no prepayment penalty on the Bond. Pledged revenues were \$4,538,704 compared to debt service of \$1,038,021 for fiscal year ended June 30, 2021. The annual requirements to pay principal and interest on this bond are as follows:

Years ending June 30,	BOW Series 2018 Revenue Bonds		
	Principal	Interest	Total
2022	\$ 789,980	\$ 248,041	\$ 1,038,021
2023	821,543	216,478	1,038,021
2024	855,436	182,585	1,038,021
2025	891,715	146,306	1,038,021
2026	929,028	108,993	1,038,021
Thereafter	2,147,110	100,666	2,247,776
	\$ 6,434,812	\$ 1,003,069	\$ 7,437,881

In November 2013, the Board issued Series 2013 Revenue Bond (“Bond”) in the amount of \$4,100,000, at an annual fixed rate of 2.66% for the purpose of financing a portion of the design and construction of a new and expanded baggage claim building as part of the passenger terminal building and paying costs incurred in connection with the issuance of this bond. Principal and interest in the amount of \$20,901 shall be paid in monthly installments commencing in May 2015 until May 2025. The provisions of the 2013 Bond were amended in 2018 and include: establishment of the special trust account for payment of the principal and interest; the principal and interest payments are payable solely from PFC and gross revenues less operating costs, maintenance costs, FBO revenues, and rental car Customer Facility Fees. The Board may issue additional bonds or other obligations having a lien on the pledged airport revenues so long as no event of default has occurred and net revenues including PFCs and fuel facilities revenues are equal to at least 150% of the debt service requirement for all outstanding bonds and obligations and proposed additional obligations for such period. The Bond is subject to redemption prior to the stated maturity, at the option of the Board. There is no prepayment penalty on the Bond. The pledged revenues were \$4,951,881 compared to debt service of \$250,817 for the year ended June 30, 2021. The annual requirements to pay principal and interest on this bond are as follows:

Years ending June 30,	BOW Series 2013 Revenue Bonds		
	Principal	Interest	Total
2022	\$ 229,020	\$ 21,797	\$ 250,817
2023	235,273	15,544	250,817
2024	241,676	9,141	250,817
2025	206,496	2,568	209,064
	\$ 912,465	\$ 49,050	\$ 961,515

Note 5 - Risk Management

The Board 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. During the year ended June 30, 2021, the Board contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, fuel farm insurance, professional insurance and vehicle insurance. The coverages under each type of insurance policy vary in amounts and deductibles. The Board has not had significant settlements exceeding insurance coverage in any of the past three fiscal years.

During the fiscal year 2009, the Board received the Support Anti-Terrorism by Fostering Effective Technologies (SAFETY) Act designation. This designation for the Board means that for any claim arising out of an act of terrorism and involving the Board’s security screening operation; a) exclusive jurisdiction is in federal court; b) liability is limited to an amount of liability specified by insurance coverage; c) joint and several liability for non-economic damages is prohibited, so the Board can only be liable for that percentage of non-economic damages proportionate to its responsibility for the harm; d) punitive damages and prejudgment interest are barred, and e) plaintiff’s recovery is reduced by amounts they receive from “collateral sources”, such as insurance benefits. The Board pays into the State Worker’s Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs. The Board paid approximately \$198,865 in 2021.

Note 6 - Retirement Plan

The Board participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all Board full-time employees are eligible to participate.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System ("WRS") plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

Pension Benefits

The PEPP provides retirement, disability, and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost-of-living adjustment provided to retirees must be granted by the State Legislature. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

Member and Employer Contributions

PEPP members are required to contribute 9.00% of their annual covered salary and the Board is required to contribute 9.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Board currently contributes 16.69% of the annual covered salary and the employees pay 1.43% of their annual salary. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The Board's contributions to the PEPP for the year ended June 30, 2021 were \$1,033,065.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On June 30, 2021, the Board reported a total liability of \$7,172,527 for its proportionate share of the net pension liability. The net pension liability was determined based on the results of an actuarial valuation performed as of January 1, 2020 and rolled forward to the measurement date of December 31, 2020. The Board's proportion of the net pension liability was based on the Board's contributions to the pension plans relative to the contributions of all participating governmental entities during the measurement period. On December 31, 2020, the Board's proportion increased to .3300203% from .3204174% compared to December 31, 2019.

For the year ended June 30, 2021, the Board recognized pension expense of \$797,654. On June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,572,502
Differences between actual and expected experience	136,300	62,369
Change in assumptions	44,545	-
Change in proportion	678,869	-
Subtotal	859,714	1,634,871
Contributions subsequent to the measurement date	533,150	-
Total	\$ 1,392,864	\$ 1,634,871

The Board reported \$533,150 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date which will be recognized as reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended June 30,	
2022	\$ (63,468)
2023	62,032
2024	(594,881)
2025	(178,840)
	\$ (775,157)

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods

Valuation Date	January 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	27 years
Asset valuation method	5-year Smoothed Market
Actuarial assumptions:	
Salary increases	2.50% to 6.50%, including inflation
Payroll growth rate	2.50%
Inflation rate	2.25%
Cost of living increases	0.00%
Investment rate of return	7.00%
Mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017

An experience study was performed in 2018 for the period January 1, 2012 thru December 31, 2016 which reviewed all economic and demographic assumptions, including mortality.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

For each major asset class that is included in the pension plans' target allocation as of January 1, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private markets	9.50%	4.53%	5.82%
Total	100.00%		

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

Pension Plan	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Net pension liability	\$ 11,238,535	\$ 7,172,527	\$ 3,779,410

Note 7 - Support from Government Units

The Board receives a substantial amount of support from federal and state governments to fund its capital program and airport related studies. If a significant reduction in this level of support were to occur, it may have a significant effect on the Board’s ability to continue its capital program activities at their present level. During the fiscal year ended June 30, 2021, the Board received \$3,088,162 in support from federal, state, and local governments to fund its capital projects and airport related studies, and \$11,924,652 from CARES Act to fund its operations to reduce the financial impacts of COVID-19.

Note 8 - Major Customers

During 2021, the Board had one major customer (any customer who provided 10% or more of total revenues). The Board received \$7,355,250 in revenues from Transportation Security Administration under a contract to provide screening services and had \$1,258,159 in receivables as of June 30, 2021.

Note 9 - Contractual Commitments

As of the fiscal year ended June 30, 2021, the Board had outstanding engineering and construction contracts in the amounts of \$44,783,288 for the Runway 1/19 reconstruction project, Hangars #2-#6 designs, and various terminal building renovation projects. The major funding sources for these projects are the Airport Improvement Program grants and operating revenue.

Note 10 - Contractual Obligations

Terminal space is rented to airlines (renewed every July 1st) and to car rental companies on a 3-year period by bidding process.

Note 11 - Commitments and Transactions with Related Organizations

The Board has entered various contracts that extend beyond the current year. The Board has an agreement with the Town of Jackson with respect to the provision of law enforcement services. The 3-year contract was renewed effective July 1, 2020 for another three years for an annual amount of \$553,635 payable monthly at \$46,136. This agreement may be terminated by either of the parties without cause.

The Board has a three-year contract for custodial services effective May 1, 2018, amended effective October 1, 2019 for additional services payable monthly at \$51,582 until April 30, 2020, then payable monthly at \$54,162 until October 30, 2021, the expiration of the contract.



Required Supplementary Information
June 30, 2021

Jackson Hole Airport Board

Jackson Hole Airport Board
Schedule of Employer's Share of Net Pension Liability
June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Public Employees Pension Plan							
Board's proportion of the net pension liability	0.330020300%	0.320417322%	0.296768821%	0.266028289%	0.247429800%	0.227495553%	0.229180744%
Board's proportionate share of the net pension liability	\$ 7,172,527	\$ 7,529,573	\$ 9,037,473	\$ 6,063,690	\$ 5,981,615	\$ 5,299,162	\$ 4,044,335
Board's covered payroll	\$ 6,012,907	\$ 5,698,913	\$ 5,165,063	\$ 4,682,409	\$ 4,557,759	\$ 3,967,627	\$ 3,917,644
Board's proportionate share of the net pension liability as a percentage of its covered payroll	119.29%	132.12%	174.97%	129.50%	131.24%	133.56%	103.23%
Plan fiduciary net position as a percentage of the total pension liability	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Board will present information for those years for which information is available.

Data reported is measured as of December 31 (measurement date).

Mortality assumptions were updated in 2020 to reflect changes in the discount rate, inflation, and life expectancy. The new assumptions decreased the total pension liability by \$220,836.

Jackson Hole Airport Board
Schedule of Employer's Contributions
June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Public Employees Pension Plan							
Contractually required contribution	\$ 1,033,065	\$ 960,040	\$ 854,522	\$ 739,186	\$ 689,656	\$ 676,000	\$ 650,000
Contributions in relations to the contractually required contributions	<u>(1,033,065)</u>	<u>(960,040)</u>	<u>(854,522)</u>	<u>(739,186)</u>	<u>(689,656)</u>	<u>(676,000)</u>	<u>(650,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-payroll	\$ 6,189,722	\$ 5,929,835	\$ 5,477,037	\$ 4,866,270	\$ 4,540,199	\$ 4,067,389	\$ 4,095,778
Contributions as a percentage of covered payroll	16.69%	16.19%	15.60%	15.19%	15.19%	16.62%	15.87%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Board will present information for those years for which information is available.

Data reported is measured as of June 30 (fiscal year-end).



Supplementary Information
June 30, 2021

Jackson Hole Airport Board

Jackson Hole Airport Board
 Schedule of Passenger Facility Charges Collected and Expended – Cash Basis
 June 30, 2021

PFC Projects	Balance Unliquidated PFC June 30, 2020	PFC Collections	Interest Earned	PFC Expenditures	Balance Unliquidated PFC June 30, 2021
APP 12 and 13 Terminal, Master Plan, Operations, and Administration	(\$13,906,130)	\$ 1,437,218	\$ 7	\$ (60,734)	\$ (12,529,639)



Federal Awards Reports in Accordance
with the Uniform Guidance
June 30, 2021

Jackson Hole Airport Board



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Jackson Hole Airport Board
Jackson, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of Jackson Hole Airport Board (the Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements, and have issued our report thereon dated December 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Board’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
December 6, 2021



Independent Auditor’s Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance

To the Board of Directors
Jackson Hole Airport Board
Jackson, Wyoming

Report on Compliance

We have audited Jackson Hole Airport Board’s (the Board) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration applicable to its passenger facility charge program for the year ended June 30, 2021.

Management’s Responsibility

Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of Jackson Hole Airport Board’s management.

Auditors’ Responsibility

Our responsibility is to express an opinion on Jackson Hole Airport Board’s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on passenger facility charges programs occurred. An audit includes examining, on a test basis, evidence about the Jackson Hole Airport Board’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the passenger facility charge program. However, our audit does not provide a legal determination of the Jackson Hole Airport Board’s compliance.

Opinion on Compliance with Passenger Facility Charge Audit Guide for Public Agencies

In our opinion, Jackson Hole Airport Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2021.

Internal Control Over Compliance

The management of the Jackson Hole Airport Board is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered Jackson Hole Airport Board's internal control over compliance in accordance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion of compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jackson Hole Airport Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of the testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
December 6, 2021



Independent Auditor's Report on Compliance for the Major Federal Program: Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Jackson Hole Airport Board
Jackson, Wyoming

Report on Compliance for the Major Federal Program

We have audited the Jackson Hole Airport Board's (the Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the of the Board's major federal program for the year ended June 30, 2021. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Board's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on the Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Boise, Idaho
December 6, 2021

Jackson Hole Airport Board
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Financial Assistance Listing/Federal CFDA Number</u>	<u>Identifying Award Number</u>	<u>SEFA</u>
U.S. Department of Transportation			
Airport Improvement Program #61	20.106	3-56-0014-61 - 2020	\$ 79,107
Airport Improvement Program #63	20.106	3-56-0014-63 - 2020	2,775,512
Airport Improvement Program #64	20.106	3-56-0014-64 - 2020	8,250
			<u>2,862,869</u>
Covid-19 Airport Improvement Program #62	20.106	3-56-0014-62 - 2020	11,924,652
			<u>\$ 14,787,521</u>

* CARES Act

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Jackson Hole Airport Board under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson Hole Airport Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Jackson Hole Airport Board.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in (Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principals and Audit Requirements for Federal Awards) (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

Jackson Hole Airport Board has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies	None Reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No
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Identification of major programs:

<u>Federal Financial Assistance Listing /CFDA number</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None