SKYWEST INC
Form 11-K
June 28, 2011
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK

REPURCHASE SAVINGS AND SIMILAR PLANS

PURSUANT TO SECTION 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

x **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

for the year ended December 31, 2010

or

o **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from   to

Commission File No. 000-14719

SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

(Full title of the plan)

SKYWEST, INC.

444 South River Road

St. George, Utah 84790

(Name of issuer of the securities held pursuant to the

Plan and the address of its principal executive office)

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SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

Index to Financial Statements and Schedule

*Other supplementary schedules required by section 2520-103.10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator of the

SkyWest, Inc. Employees Retirement Plan

We have audited the accompanying statements of assets available for benefits of the SkyWest, Inc. Employees Retirement Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in assets available for benefits for the year ended December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Skywest, Inc. Employees Retirement Plan as of December 31, 2010 and 2009, and the changes in assets available for benefits for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the U.S. Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management and has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Tanner LLC

Salt Lake City, Utah

June 28, 2011

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SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

Statements of Assets Available for Benefits

	December 31, 2010	December 31, 2009
Assets:		
Investments, at fair value	$ 277,794,961	$ 224,204,275
Notes receivable from participants	11,015,635	9,311,383
Assets available for benefits, at fair value	288,810,596	233,515,658
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(600,091)	(47,403)
Assets available for benefits	$ 288,210,505	$ 233,468,255

See accompanying notes to financial statements.

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SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

Statement of Changes in Assets Available for Benefits

Year ended December 31, 2010

Additions		
Contributions:		
Participants	$	**20,520,191**
Employer		**12,371,704**
Total contributions		**32,891,895**
Interest income on notes receivable from participants		**563,989**
Net investment income:		
Interest and dividends		**4,006,916**
Net appreciation in fair value of investments		**28,455,003**
Total net investment income		**32,461,919**
Total additions		**65,917,803**
Deductions:		
Distributions to participants		**11,134,390**
Administrative expenses		**41,163**
Total deductions		**11,175,553**
Net increase in assets available for benefits		**54,742,250**
Assets available for benefits:		
Beginning of the year		**233,468,255**
End of year	$	**288,210,505**

See accompanying notes to financial statements

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SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

Notes to Financial Statements

(1) Plan Description

The following description of the SkyWest, Inc. Employees Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan s provisions.

(a) Participation

SkyWest, Inc. (the Company , Plan Sponsor or Employer) adopted the Plan, effective April 1, 1977. The Plan is a defined contribution plan and is intended to be a qualified retirement plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986 as amended. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan has been amended at various times.

The Plan was established to provide employees with an opportunity to accumulate funds for retirement or disability and to provide death benefits for employees dependents and beneficiaries.

(b) Eligibility

Employees who have completed 90 days of service are eligible to participate in the Plan. Participation is available to all employees of the Company and its affiliates. An eligible employee, who has enrolled, shall become a participant on the first day of the month coinciding with or following the date that the employee meets the eligibility requirements. Employees must affirmatively elect to participate in the Plan.

(c) Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant s account is credited with the participant s contributions, the Company s matching contribution, and an allocation of investment earnings, and is charged with withdrawals and an allocation of investment losses and expenses. The allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

(d) Contributions

Participants elect both the amount of salary reduction contributions and the allocation of the salary reduction contributions among the various investment alternatives within the Plan. Annual salary reduction contributions cannot exceed the lesser of 100% of the participant s eligible compensation or the maximum amount allowable under the IRC, which was $16,500 during 2010 ($22,000 for participants age 50 and older).

Employees are eligible for the Company match when they have completed one year of service and have enrolled in the Plan. Employees must be making contributions to the Plan in order to receive the employer match. During 2010, the Company matched 100% of each eligible participant s salary reduction contribution up to levels ranging from 2% to 6% of compensation, based on years of service. Matching contributions are not available to highly compensated employees. Additionally, each year the Company may make a discretionary contribution based on its earnings. An employee is eligible to participate in the discretionary contribution program if he or she has made salary reduction contributions. The Company made a discretionary contribution in 2010 of $1,509,000. Company discretionary contributions have been allocated based on the participants eligible compensation.

(e) Participant-Directed Options for Investments

Participants direct the investment of their contributions and the Company matching and discretionary contributions into various investments offered by the Plan. Investment options include mutual funds, a common/collective trust fund, and SkyWest, Inc. common stock. Participants may change their election or transfer monies between funds at any time.

Participants with common stock of SkyWest, Inc. in their accounts may direct the sale of the stock and the investment of the resulting monies into other investments offered by the Plan.

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(f) ***Vesting and Payment of Benefits***

Participants are immediately vested 100% in their account balances. Benefits are normally paid at retirement, disability, death, or other termination. Benefit distributions may be made in a single lump sum payment, installments, or an annuity. Participants may withdraw funds from the Plan while actively employed subject to specific restrictions set forth in the Plan agreement.

(g) ***Notes Receivable from Participants***

The Plan agreement provides for loans to be made to participants and beneficiaries. The loans must bear a reasonable rate of interest, have specific repayment terms and be adequately secured. Under no circumstances can the amount of the loan exceed the lesser of $50,000 or 50% of the participant s vested account balance.

(h) ***Custodian and Record Keeper***

Wells Fargo Institutional Trust Services provides the record keeping and custodial services for the Plan. Wells Fargo Institutional Trust Services is also a directed trustee of the Plan.

(i) ***Parties-in-Interest***

The Company, participants and Wells Fargo Institutional Trust Services (Wells Fargo) are considered parties-in-interest to the Plan. The Company s common stock and Wells Fargo managed mutual funds are investment options in the Plan.

(2) **Summary of Significant Accounting Policies**

(a) ***Basis of Accounting***

The Plan s financial statements are prepared on the accrual basis of accounting, in accordance with U.S. generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported changes in assets available for benefits during the reporting period. Actual results could differ from these estimates.

(c) Risks and Uncertainties

The Plan provides for investments in securities that are exposed to various risks, such as interest rate, currency exchange rate, credit and overall market fluctuation. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of assets available for benefits.

(d) Investment Contract

Fully benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan invests in investment contracts through a collective trust in the Stable Return Fund N4 operated and maintained by Wells Fargo Bank N.A. The statements of assets available for benefits presents the fair value of the investments in the common/collective trust as well as the adjustment of the investment in the common/collective trust from fair value to contract value relating to the investment contracts. The statement of changes in assets available for benefits is prepared on a contract value basis.

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(e) Investment Valuation and Income Recognition

Mutual funds are valued at quoted market prices, which represent the net asset values of units held by the Plan at year-end. The Company s common stock fund is valued using the net asset value per share on the last business day of the Plan year. Unrealized appreciation or depreciation caused by fluctuations in the market value of investments is recognized in the statement of changes in assets available for benefits. Dividends and interest are reinvested as earned. Purchases and sales of investments are recorded on a trade-date basis.

The Plan invests in common/collective trusts, which primarily hold investments in fully benefit-responsive insurance contracts that provide that the Plan may make withdrawals at contract value for benefit-responsive requirements. Accordingly, the Plan s investment in units of the common/collective trusts are presented at fair value in the statements of assets available for benefits, with an adjustment to its contract value separately disclosed. The common/collective trusts reported fair values are determined as the sum of (a) the fair value of the investments in guaranteed insurance contracts and security-backed investment contracts that are wrapped by an insurance company, bank or other financial institution (collectively, the Investment Contracts), as determined by that fund s trustee and (b) the fair value of that fund s investments in externally managed collective investment funds as determined by those funds trustees. The contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan); (ii) changes to the Plan s prohibition on competing investment options or deletion of equity wash provisions; and (iii) bankruptcy of the Plan sponsor or other Plan sponsor events (e.g., divestitures or spin-offs of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA). The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan s ability to transact at contract value with participants, is probable.

(f) Distributions to Participants

Distributions to participants are recorded when paid.

(g) Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

(h) Expenses

The Plan pays substantially all administrative expenses of the Plan, other than legal and accounting fees, which are paid by the Plan Sponsor.

(i) Interest and Dividend Income

Interest income is recorded as earned on the accrual basis. Dividend income is recorded on the ex-dividend date.

(j) Termination of Plan

Although it has not expressed any intent to do so, the Company may terminate the Plan at any time subject to the provisions of the Plan and ERISA. If the Plan is terminated, the participants have a non-forfeitable interest in their accounts.

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(k) Reclassifications

Certain prior year amounts in the statement of net assets available for benefits have been reclassified to conform to the current year presentation.

(l) Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*, (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and to require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect on the Plan s assets available for benefits or its changes in assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued by unpaid interest and classified as notes receivable from participants. Previously loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

(3) Transactions with Parties-in-Interest

Transactions in shares of the Company s common stock qualify as party-in-interest transactions under the provisions of ERISA. The Plan held 679,289 and 529,162 shares of SkyWest, Inc. common stock fund with a fair value of $4,644,444 and $3,920,230 as of December 31, 2010 and 2009, respectively.

Plan investments include mutual funds and a common/collective trust fund managed by Wells Fargo, who is also the Plan trustee, and therefore a party-in-interest. While transactions involving Plan assets with a party-in-interest are usually prohibited, these transactions are exempt under ERISA Section 408(b)(8).

Notes receivable from participants totaling $11,015,635 and $9,311,383 as of December 31, 2010 and 2009, respectively, are also considered party-in-interest transactions.

(4) Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated December 10, 2008, stating that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. As of December 31, 2010, the Plan was required to make certain corrective distributions in order to remain qualified under IRC 401(a). Subsequent to December 31, 2010, the Plan made the corrective distributions in accordance with the IRS regulations. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

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(5) Investments

During 2010, the Plan s investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

Common stock	$	**(181,068)**
Mutual funds		**28,636,071**
	$	**28,455,003**

The fair values of individual investments that represent 5 percent or more of the Plan s assets are as follows:

	December 31,			
		2010		**2009**
Wells Fargo Stable Return	$	**27,876,954**	$	**23,749,155**
Janus Overseas Fund		**42,379,306**		**31,315,058**
Davis NY Venture		**16,109,826**		*
Neuberger Berman Genesis Fund		**15,423,185**		**12,077,108**
American Funds Growth		**16,963,489**		*
MFS Value R4		**17,713,867**		**15,422,152**

* Amount was not greater than 5% of the Plan s assets for the respective year.

(6) Fair Value Measurements

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs when measuring fair value. The standard describes three levels of inputs:

Level 1 Valuation is based upon quoted prices in active markets for identical securities.

Level 2 Valuation is based upon other significant observable inputs that reflect the assumptions market participants would use in pricing the asset developed on market data obtained from sources independent of the Plan.

Level 3 Valuation is based upon unobservable inputs that reflect the Plan s own assumptions about the assumptions that market participants would use in pricing the asset developed, based on the best information available.

As of December 31, 2010 and 2009, the Plan held certain assets that are required to be measured at fair value on a recurring basis. Assets measured at fair value on a recurring basis are summarized below (in thousands):

	Fair Value Measurements as of December 31, 2010 (in 000 s)			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Balanced Funds	$ 71,362	$ 71,362	$	$
Large Cap Funds	52,736	50,787	1,949	
International Funds	49,751	49,751		
Small Cap Funds	38,702	38,702		
Fixed Income Funds	20,612	20,612		
Mid Cap Funds	12,111	10,960	1,151	
	245,274	242,174	3,100	
Common Stock Fund	4,644		4,644	
Common/Collective Trust	27,877		27,877	
Total	$ 277,795	$ 242,174	$ 35,621	$

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	Fair Value Measurements as of December 31, 2009 (in 000 s)			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Balanced Funds	$ 56,436	$ 56,436	$	$
Large Cap Funds	45,187	44,481	706	
International Funds	41,765	41,765		
Small Cap Funds	28,006	28,006		
Fixed Income Funds	17,199	17,199		
Mid Cap Funds	7,942	7,390	552	
	196,535	195,277	1,258	
Common Stock Fund	3,920		3,920	
Common/Collective Trust	23,749		23,749	
Total	$ 224,204	$ 195,277	$ 28,927	$

Common/collective trust assets consist of investments in fully benefit-responsive insurance contracts for which the Plan can make withdrawals at contract value for benefit-responsive requirements. The Plan uses the Wells Fargo Stable Return Fund for these investments. This fund also classifies the common/collective trust assets as Level 2.

The Plan Sponsor has determined that its investment in the Wells Fargo Stable Return Fund N4 (The Fund) is subject to the additional disclosure requirements under FASB Accounting Standards Update No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820)-Investments in Certain Entities That Calculate Net Asset Value Per Share*. The investment strategy of The Fund is to provide safety of principal with consistency of returns with minimal volatility. The Fund does this by investing in investment contracts and security backed contracts while employing broad diversification among contract issuers and underlying securities. Fair market value for The Fund is deemed to be the net asset value. The Plan Sponsor is able to redeem the investment in The Fund by providing a 12 month notice. Although the notice requires 12 months, Wells Fargo Trust Services has indicated it has the ability to redeem the investment sooner; however, puts plan sponsors on notice that redemption could take up to 12 months. There are no other significant restrictions on the ability to redeem the investment. The Plan Sponsor currently has no plans to sell or redeem its investment in the Fund.

The Plan Sponsor has determined that its investment in the Wells Fargo S & P 500 Index High Balance N, S & P 500 Midcap Index G (Wells Fargo Funds) and Common Stock Funds are subject to the additional disclosure requirements under FASB Accounting Standards Update No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820)-Investments in Certain Entities That Calculate Net Asset Value Per Share*. Wells Fargo Funds include investments in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These assets share the common goal of first growing and then later preserving principal and contain a mix of U.S. common stocks, U.S. issued bonds and cash. In addition, the Common Stock Fund includes investments in SkyWest Inc. Common Stock. There are currently no redemption restrictions on these investments. The fair values of the investments in this category have been estimated using the net asset value per share.

(7) Plan Amendments

During 2010, the Plan was amended to comply with legislative and regulatory changes regarding a participant on qualifying military leave as well as Participant directed investment elections.

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(8) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to the Form 5500:

	December 31, 2010		December 31, 2009	
Assets available for benefits as presented in the financial statements	**$**	**288,210,505**	**$**	**233,468,255**
Adjustment from contract value to fair value for fully benefit-responsive investment contract		**600,091**		**47,403**
Assets available for benefits as presented in Form 5500	**$**	**288,810,596**	**$**	**233,515,658**

The following differences between the financial statements and the Form 5500 are due to the adjustment from fair value to contract value of the Wells Fargo Stable Return Fund, a fully benefit-responsive investment contract for the year ended December 31, 2010.

Net increase in assets available for benefits as presented in the financial statements	$	54,742,250
Net adjustment from contract value to fair value for fully benefit-responsive investment contract		552,688
Net increase in assets available for benefits as presented in Form 5500	$	55,294,938

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SKYWEST, INC. EMPLOYEES RETIREMENT PLAN

EIN 87-0292166, Plan 001

Form 5500, Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2010

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value	Number of Units
*	Wells Fargo	Wells Fargo Stable Return	$ 27,876,954	596,506
	Janus Capital Corp.	Janus Overseas Fund	42,379,306	836,874
	The Vanguard Group	Vanguard Admiral Intermediate-Term Treasury Fund	9,601,833	847,470
	Neuberger & Berman Management, Inc.	Neuberger Berman Genesis Fund	15,423,185	323,744
	Oakmark	Oakmark Equity and Income	9,693,738	349,450
	PIMCO Total Return Administrative Shares	Total Return Administrative Shares	8,425,743	776,566
*	SkyWest, Inc.	SkyWest, Inc. Common Stock Fund	4,644,444	679,289
	Davis	Davis NY Venture	16,109,826	469,127
*	Wells Fargo	Wells Fargo Advantage Small Cap Value	9,669,176	296,874
	American Funds	American Funds Growth	16,963,489	561,891
	Wasatch Advisors Inc.	Wasatch Small Cap Growth Fund	12,832,328	324,869
	American Funds	American Funds Europacific	3,132,930	77,014
	MFS	MFS Value R4	17,713,867	776,583
*	Wells Fargo	S & P 500 Index High Balance N	1,949,258	32,684
*	Wells Fargo	S & P 500 Midcap Index G	1,151,205	58,142
	T Rowe Price	T Rowe Price Midcap Growth	7,807,362	133,391
	Dreyfus	Dreyfus Small Cap Stock Index	777,506	38,076
	MFS	MFS International Value R4	4,238,344	172,150
	Goldman Sachs	Goldman Sachs Mid Cap Value	3,153,156	87,832

*	Wells Fargo	WF Advtg Dow Jones Target Today	1,182,774	110,954
	MFS	MFS High Yield Opportunities	2,582,403	404,765
*	Wells Fargo	WF Advtg Dow Jones Target 2010	1,411,875	110,303

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*	Wells Fargo	WF Advtg Dow Jones Target 2015		3,513,094	364,429
*	Wells Fargo	WF Advtg Dow Jones Target 2020		7,086,362	510,545
*	Wells Fargo	WF Advtg Dow Jones Target 2025		9,960,269	1,046,247
*	Wells Fargo	WF Advtg Dow Jones Target 2030		10,947,373	755,512
*	Wells Fargo	WF Advtg Dow Jones Target 2035		8,449,727	912,498
*	Wells Fargo	WF Advtg Dow Jones Target 2040		10,353,268	645,466
*	Wells Fargo	WF Advtg Dow Jones Target 2045		7,070,621	766,048
*	Wells Fargo	WF Advtg Dow Jones Target 2050		1,693,545	185,900
*	Plan Participants	loans at 4.25% - 10% interest, with maturity dates through 2025, collateralized by respective participants account balances		11,015,635	1,611
			$	288,810,596	

* Denotes party-in-interest

Column (d) is not required as all investments are participant-directed

See accompanying report of independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: June 28, 2011	SKYWEST, INC. EMPLOYEES RETIREMENT PLAN	
	By:	SkyWest, Inc., Plan Sponsor
		/s/ Eric J. Woodward Eric J. Woodward Chief Accounting Officer of SkyWest, Inc.

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Exhibit Index

Exhibit Number	**Description of Exhibit**
23.1	Consent of Tanner LLC