AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
HAILEY CITY HALL
115 S. MAIN STREET, HAILEY, IDAHO
WEDNESDAY, MAY 15, 2024 - 2:00 PM

JOIN MEETING VIRTUALLY

From your computer, tablet, or smartphone: https://meet.goto.com/CityofHaileyPZ
Via One-touch dial in by phone: tel:+15713173122,,506287589#
Dial in by phone: United States: +1 (571) 317-3122 Access Code: 506-287-589

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

CONSENT AGENDA (action item). *All items listed under the Consent Agenda will be approved in one motion without discussion unless any Board Member requests that the item be removed for individual discussion and possible action.*

1. Approval of the Sun Valley Air Service Board Meeting Minutes from January 3, 2024
2. Receive and File Financials:
   a. 0.5% Local Option Tax Report: November 2023 - February 2024 Months of Service

ACTIONS/DISCUSSIONS/PRESENTATIONS

3. Authorization for payment of bills on-hand through May 10, 2024 (action item)
4. Presentation and acceptance of the FY2023 audited financial statements by Workman & Company and acknowledgement of Representation Letter (action item)
5. Receive and file Allocation of Voting Rights for 2024 (action item)
6. Discussion and possible funding of up to $700,000 towards Mountain Rides BEB facility in support of public transportation connection to Friedman Airport (action item)
7. Update from Fly Sun Valley Alliance
8. Update from Sun Valley Tourism Alliance

ADJOURNMENT

Please Note: *The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact Sun Valley City Hall prior to the meeting. Air Service Board Packets are online at www.haileycityhall.org; www.sunvalleyidaho.gov; and www.ketchumidaho.org.*

Sun Valley Air Service Board Meeting Minutes
January 3, 2024, 2:00pm
Ketchum City Hall Community Room

Present: Neil Bradshaw—Mayor, City of Ketchum
Peter Hendriks—Mayor, City of Sun Valley
Martha Burke—Mayor, City of Hailey
Muffy Davis—Blaine County Commissioner *(remote but did not vote)*

Staff Present: Hailey: Lisa Horowitz
Sun Valley: Jim Keating, Nancy Flannigan
Ketchum: Jade Riley

Others present: Mike McKenna—Valley Chamber
Carol Waller—Fly Sun Valley Alliance
Scott Fortner—Visit Sun Valley

Call to order by Neil Bradshaw. *(2:00:58 PM)*

Communications from the board. *(2:01:48 p.m.)*
None.

ELECTION
Motion to adopt Neil Bradshaw as Chairperson and Peter Hendricks as Treasurer for 2024. *(02:02:16PM)*
Motion Made by Martha Burke, seconded by Peter Hendricks.
Motion passed, all in favor.

CONSENT AGENDA
Motion to approve consent agenda in toto. (02:02:35 p.m.)
Motion made by Peter Hendriks, seconded by Muffy Davis.
Motion passed, all in favor.

ACTIONS/DISCUSSIONS/PRESENTATIONS
Mayor Bradshaw pulled item #5 until the next meeting. *(02:02:56 p.m.)*

3. Authorization of bills on hand through December 31, 2023.
Motion to approve all bills on hand. *(2:03:24 p.m.)*
Motion made by Neil Bradshaw, seconded by Peter Hendricks.
Motion Passed, all in favor.

4. Discussion and possible approval of resolution 2024-01; setting the meeting dates for 2024.
Motion to approve the dates. *(02:03:56 p.m.)*
Motion made by Peter Hendricks, seconded by Martha Burke.
Motion passed, all in favor.

6. Discussion and possible approval of a request by the Valley Chamber for funding in FY24.
Presented by: Mike McKenna *(02:04:04 p.m.)*
Comments, questions, and discussion by board members *(02:15:15 p.m.)*

Motion to approve $25,000.00 funding of the Valley Chamber with further consideration of $10,000.00 at the May 15th, 2024, meeting.

Motion made by Peter Hendricks, seconded by Martha Burke. *(02:22:29 p.m.)*
Motion passed, all in favor.

7. Update on current status of winter air service for Fly Sun Valley Alliance.
Presented by: Carol Waller *(02:23:15 p.m.)*

Comments, questions, and discussion by board members. *(02:25:04 p.m.)*

8. Review and possible approval of a request by the Visit Sun Valley for additional funding in FY24.
Presented by: Scott Fortner *(02:30:21 p.m.)*

Comments, questions, and discussion by board members. *(02:51:00 p.m.)*

Motion to approve $1,200,904 invoice for Visit Sun Valley and another $250,000.00 to fill and complete reserve balances and defer any further funding discussions until May 15, 2024.
Motion made by Peter Hendricks, seconded by Martha Burke. *(03:12:12 p.m.)*
Motion passed, all in favor.

ADJOURNMENT:
Motion to adjourn. *(03:13:34 p.m.)*
Motion made by Martha Burk, seconded by Peter Hendricks
Motion passed, all in favor**.**

_____
Neil Bradshaw – Board Chair

_____
Peter M. Hendricks, Secretary/Treasurer

MOS LOT Generated	LOT Received	.5% LOT Contribution Sun Valley	Ketchum	Hailey	TOTAL	Expenses Communities Direct Costs	SVASB Adminsitrative Fees	Funds for Contracts
			-					
Oct-23	Dec-23	27,346.97	92,842.75	5,131.32	125,321.04	(7,724.11)	(450.00)	117,146.93
Nov-23	Jan-24	19,624.79	92,342.77	2,982.29	114,949.85	(6,368.81)	(450.00)	108,131.04
Dec-23	Feb-24	65,327.47	187,387.89	5,747.30	258,462.66	(6,504.30)	(450.00)	251,508.36
Jan-24	Mar-24	42,173.18	99,402.91	7,778.77	149,354.86	(6,603.84)	(450.00)	142,301.02
Feb-24	Apr-24	49,172.59	151,222.61	6,299.38	206,694.58	(6,531.35)	(450.00)	199,713.23
Mar-24	May-24	-	-	-	-	-	-	-
Apr-24	Jun-24	-	-	-	-	-	-	-
May-24	Jul-24	-	-	-	-	-	-	-
Jun-24	Aug-24	-	-	-	-	-	-	-
Jul-24	Sep-24	-	-	-	-	-	-	-
Aug-24	Oct-24	-	-	-	-	-	-	-
Sep-24	Nov-24	-	-	-	-	-	-	-
	Total	203,645.00	623,198.93	27,939.06	854,782.99	(33,732.41)	(2,250.00)	818,800.58

			Fly SV Alliance					SVMA				
			FY2024	Budget	800,602			FY2024	Budget	1,200,904		
				Remaining	753,744	94%			Remaining	0	0%	
MOS LOT Generated	LOT Received	Funds for Contracts	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Paid	Check	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Paid	Check
Oct-23	Dec-23	117,146.93	40%	46,858.77	46,858.77	46,858.77	1191	60%	70,288.16	1,200,904.00	1,200,904.00	1192
Nov-23	Jan-24	108,131.04	40%	43,252.41				60%	64,878.62			
Dec-23	Feb-24	251,508.36	40%	100,603.34				60%	150,905.02			
Jan-24	Mar-24	142,301.02	40%	56,920.41				60%	85,380.61			
Feb-24	Apr-24	199,713.23	40%	79,885.29				60%	119,827.94			
Mar-24	May-24	0.00	40%	-				60%	-			
Apr-24	Jun-24	0.00	40%	-				60%	-			
May-24	Jul-24	0.00	40%	-				60%	-			
Jun-24	Aug-24	0.00	40%	-				60%	-			
Jul-24	Sep-24	0.00	40%	-				60%	-			
Aug-24	Oct-24	0.00	40%	-				60%	-			
Sep-24	Nov-24	0.00	40%	-				60%	-			
	Total			*327,520.23*	***46,858.77***				*491,280.35*	***1,200,904.00***		
										709,623.65		

Cash Flow Statement			
US BANK #0186	602,158.00	cash balance	3/31/2024
	-	SVMA	
	-	Fly Sv Alliance	
	-		
	48,472.59	Sun Valley Revenue	payment has not been received
	5,990.71	Hailey Revenue	payment has not been received
	145,699.93	Ketchum Revenue	payment has not been received
	-		
	-	LGIP TRANSFER	
	802,321.23	ending cash balance	
LGIP #3358	2,407,972.50	LGIP Investment Balance	

SUN VALLEY AIR SERVICE BOARD
INVOICES TO BE PAID

Through: May 10, 2024

Vendor	Date	Invoice #	Description	Amount
The Chamber - Hailey & the Wood River Valley	3/1/2024	10712	1% for Air Grant; Printing & Mailing WRV Guides & Staffing	25,000.00
Workman and Company	1/8/2024		Audited Financials Statements	$1,430.00
			Total Invoices to be paid:	**$ 26,430.00**

The Chamber - Hailey & the Wood River Valley
PO Box 100
Hailey, ID 83333

www.valleychamber.org; www.haileyidaho.com

Phone # 208-788-3484

Invoice

10712

Date 3/1/2024

Due on receipt

Bill To

City of Ketchum
Air Service Board
PO Box 2315
Ketchum, ID 83340

Description	Amount
1% for Air Grant	25,000.00T
Printing & Mailing WRV Guides and Staffing	

Subtotal	$25,000.00
Sales Tax (0...	$0.00
Total	$25,000.00
	$0.00

Balance Due $25,000.00

WORKMAN AND COMPANY

Certified Public Accountants
P.O. Box 2367
2190 Village Park Ave., Suite 300
Twin Falls, Idaho 83303-2367

Invoice

Date	Invoice #
1/8/2024	

Bill To

SUN VALLEY AIR SERVICE BOARD
PO BOX 3801
KETCHUM, IDAHO 83340

Terms	Due Date	Account #
Net 30	1/8/2024	

Date	Item	Description	Rate	Amount
1/8/2024	Balance Forward			0.00
		Audited Financial Statements at September 30, 2023		1,430.00
			Total	$1,430.00
			Payments/Credits	
			BALANCE DUE	**$1,430.00**

Phone # (208)733-1161
Fax # (208)733-6100

WORKMAN & COMPANY | Office of Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

December 29, 2023

Member of the Board
Sun Valley Air Service Board
Ketchum, Idaho

We have audited the financial statements of the governmental activities of the Sun Valley Air Service Board, for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 19, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Sun Valley Air Service Board, are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Sun Valley Air Service Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Sun Valley Air Service Board's financial statements was:

There are no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 29, 2023.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Sun Valley Air Service Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Budgetary Information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the Sun Valley Air Service Board and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD

BLAINE COUNTY, IDAHO

Financial Statements
at September 30, 2023

SUN VALLEY AIR SERVICE BOARD
BLAINE COUNTY, IDAHO
For the year ended September 30, 2023

Table of Contents

Independent Auditor's Report 1-2

Basic Financial Statements:

Government-Wide Financial Statements:
- Statement of Net Position 3
- Statement of Activities 4
- Statement of Cash Flows 5

Fund Financial Statements:
- Balance Sheet 6
- Statement of Revenues, Expenditures and Changes in Fund Balances 7

Notes to the Financial Statements 8-10

Required Supplementary Information:
- General Fund Budgetary Comparison Schedules 11

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards 12-13

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INDEPENDENT AUDITOR'S REPORT

December 29, 2023

Members of the Board
Sun Valley Air Service Board

Opinions

We have audited the accompanying financial statements of the governmental activities of the Sun Valley Air Service Board, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sun Valley Air Service Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Sun Valley Air Service Board, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sun Valley Air Service Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sun Valley Air Service Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

Report Continued—

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sun Valley Air Service Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sun Valley Air Service Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planning scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 11 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Sun Valley Air Service Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD
Statement of Net Position
at September 30, 2023

ASSETS

Cash in Checking	$ 1,181,682	
Cash in LGIP	2,659,888	
Total Cash and Deposits		$ 3,841,570
Local Option Tax Receivables:		
City of Sun Valley	0	
City of Ketchum	0	
City of Hailey	0	
Total Tax Receivables		0
Total Assets		3,841,570

LIABILITIES

Accrued Contracts Payable:		
Fly Sun Valley	0	
Sun Valley Marketing	0	
Total Contracts Payable		0
Other Accounts Payable		0
Total Liabilities		0

NET POSITION

Invested in Capital Assets - net of related debt	0	
Restricted for Local Aviation Services	3,841,570	
Unrestricted	0	
Total Net Position		$ 3,841,570

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Revenue, Expenses,
and Changes in Net Position
for the year ended September 30, 2023

Operating Revenues:		
Local Option Tax Revenues:		
City of Sun Valley	$ 944,819	
City of Ketchum	2,791,851	
City of Hailey	132,248	
Total Tax Revenues		$ 3,868,918
Interest Income		87,246
Total Operating Revenue:		3,956,164
Operating Expenses:		
Fly Sun Valley Contract	1,400,203	
Sun Valley Marketing Contract	1,689,357	
Professional Fees	1,720	
Insurance	1,686	
Administrative Expenses	10,216	
Total Operating Expenses		3,103,182
Operating Income		852,982
Total Net Position - Beginning		2,988,588
Total Net Position - Ending		$ 3,841,570

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Cash Flows
for the year ended September 30, 2023

Cash Flows From Operating Activities:		
Receipts from other governments	$ 4,202,545	
Payments to suppliers and vendors	(3,103,182)	
Other receipts	0	
Net cash provided (used) by operations		$ 1,099,363
Cash Flows From Capital Related Financing Activities:		
Payment of Debts and Interest	0	
Net cash provided by capital and related financing activities		0
Cash Flows From Investing Activities:		
Purchase of Capital Assets		
Interest Income	87,246	
Net cash used by investing activities		87,246
Net Increase (Decrease) in Cash and Equivalents		1,186,609
Balances - Beginning of the year		2,083,688
Balances - Ending of the year		$ 3,270,297
Displayed as:		
Cash and Deposits		610,409
Cash in LGIP		2,659,888
Balances - Ending of the year		$ 3,270,297
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	852,982	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Net Interest Earnings/Expense	(87,246)	
Change in assets and liabilities:		
Local Option Taxes Receivable	333,627	
Accounts and Contracts Payable		
Net Cash Provided (Used) by Operating Activities:		$ 1,099,363

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Balance Sheet
Governmental Funds
at September 30, 2023

	General Fund	Total Governmental Funds
ASSETS:		
Cash and Deposits	$ 3,841,570	$ 3,841,570
City of Sun Valley LOT Receivable	0	0
City of Ketchum LOT Receivable	0	0
City of Hailey LOT Receivable	0	0
Total Assets	$ 3,841,570	$ 3,841,570
LIABILITIES:		
Accounts Payable	$ 0	$ 0
Due To Other Funds	0	0
Total Liabilities	0	0
FUND BALANCE:		
Non-spendable	0	0
Restricted	3,841,570	3,841,570
Committed	0	0
Assigned	0	0
Unassigned	0	0
Total Fund Balance	3,841,570	3,841,570
Total Liabilities and Fund Balance	$ 3,841,570	$ 3,841,570

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2023

	General Fund	Total Governmental Funds
REVENUE:		
Sun Valley 1% Local Option Tax Revenues	$ 944,819	$ 944,819
Ketchum 1% Local Option Tax Revenues	2,791,851	2,791,851
Hailey 1% Local Option Tax Revenes	132,248	132,248
Interest Earned	87,246	87,246
Total Revenue	3,956,164	3,956,164
EXPENDITURES:		
Contracted Services - Fly Sun Valley	1,400,203	1,400,203
Contracted Services - Sun Valley Marketing	1,689,357	1,689,357
Administrative Services	10,216	10,216
Professional Fees	1,720	1,720
Insurance	1,686	1,686
Total Expenditures	3,103,182	3,103,182
EXCESS REVENUE (EXPENDITURES)	852,982	852,982
OTHER FINANCING SOURCES (USES):		
Due (to) from other funds	0	0
NET CHANGE IN FUND BALANCES	852,982	852,982
FUND BALANCE - BEGINNING	2,988,588	2,988,588
FUND BALANCE - ENDING	$ 3,841,570	$ 3,841,570

The accompanying notes are a part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Sun Valley Air Service Board (the Board) was established on November 16, 2013, under a Joint Powers Agreement among the municipal corporations of the CITY OF KETCHUM, IDAHO, the CITY OF SUN VALLEY, IDAHO, and the CITY OF HAILEY, IDAHO. The Board was created for the purpose of collecting the 1% local option tax levied in each City by voter approval and appropriating said option tax to provide for local air service, including minimum revenue guarantees for air service providers.

The financial statements of the Sun Valley Air Service Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net position) report information on all of the non-fiduciary activities of the Board.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Board's activities and general administrative services are classified as governmental activities. The Board has no business-type activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement 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.

All other revenue items are considered to be measurable and available only when the Board receives cash.

The Board reports the following major governmental fund:

- The *General Fund* is the Board's operating fund. It accounts for all financial resources of the Board.

Capital Assets

The Board currently owns no property held for future uses nor does it anticipate any such ownership.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

Continued—

2. LOCAL OPTION TAXES

Each City has legally adopted a 1% Local Option Sales Tax that is collected monthly. Each City collects said tax by the end of the calendar month following the collection period. Those collected taxes are conveyed to the Board by the end of the month following collection.

3. CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board has no deposit policy for custodial credit risk. At year end, $ 360,409 of the Board's bank balance was exposed to custodial credit risk because it was not insured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Board held the following investments:

Investment Type	
Idaho State Local Government Investment Pool	$ 2,659,888.

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the Board voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the Board's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The Board's policy is to comply with Idaho State statutes which authorize the Board to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of *credit risk:* The Board has no policy regarding these two investment risk categories.

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand	$ 0
Deposits with financial institutions:	
Demand deposits	610,409
State of Idaho Investment Pooled Cash	2,659,888
Total	$ 3,270,297

Continued—

4. RESTRICTED NET POSITON

Under the Joint Powers Agreement, the Board is only to provide for the local air service activities. This restricts the available net position for that expressed purpose.

5. GENERAL FIXED ASSETS

The Board has no fixed assets.

6. CONTRACTS PAYABLE

The Board has entered into two contracts with local vendors to provide for its express purpose in the air service industry. These two contracts are between the Board and Fly Sun Valley Alliance, Inc. (an Idaho nonprofit corporation) and Sun Valley Marketing Alliance, Inc. (an Idaho nonprofit corporation.) Additionally, these two corporations have the express purpose of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees (MRG's) or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; and c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service.

7. RETIREMENT PLAN

The Board has no employees and therefore no retirement plan.

8. LITIGATION

The Board, at the financial statement date, is not involved in any material disputes as either plaintiff or defendant.

9. 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; and natural disasters. During the fiscal year, the Board contracted with Idaho County Risk Management Program (ICRMP) for property, crime, and fleet insurance. Under the terms of the ICRMP policy, the Board's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year.

10. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

REQUIRED
SUPPLEMENTARY INFORMATION

SUN VALLEY AIR SERVICE BOARD
Budgetary Comparison Schedule
Government-Wide Statement of Activities
for the year ended September 30, 2023

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
REVENUES:			
City of Hailey 1% Local Option Tax	$ 147,753	$ 132,248	$ (15,505)
City of Ketchum 1% Local Option Tax	2,362,500	2,791,851	429,351
City of Sun Valley 1% Local Option Tax	1,178,058	944,819	(233,239)
Earnings on investments	50,000	87,246	37,246
Total revenues	3,738,311	3,956,164	217,853
EXPENDITURES:			
Contracts for Services - Fly Sun Valley	1,400,000	1,400,203	(203)
Contracts for Services - Sun Valley Marketing	1,679,110	1,689,357	(10,247)
Administrative Costs	10,954	10,216	738
Professional	3,300	1,720	1,580
Insurance	1,686	1,686	0
Total expenditures	3,095,050	3,103,182	(8,132)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	643,261	852,982	209,721
FUND BALANCE - BEGINNING	2,988,588	2,988,588	
FUND BALANCE - ENDING	$ 3,631,849	$ 3,841,570	

The accompanying notes are a part of these financial statements.

WORKMAN & COMPANY | Office of Accounting

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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*

December 29, 2023

Member of the Board
Sun Valley Air Service Board

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 governmental activities of the Sun Valley Air Service Board, as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the Sun Valley Air Service Board's basic financial statements, and have issued our report thereon dated December 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sun Valley Air Service Board's internal control over financial reporting (internal control) to determine 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 Sun Valley Air Service Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sun Valley Air Service 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 entity'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sun Valley Air Service 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 determination of financial statement amounts. 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY
AIR SERVICE BOARD

December 29, 2023

Workman and Company
Certified Public Accountants
2190 Village Park Ave., Suite 300
Twin Falls, Idaho 83301

This representation letter is provided in connection with your audit of the financial statements of the Sun Valley Air Service Board, which comprise the respective financial position of the governmental activities as of September 30, 2023, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 29, 2023, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 26, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility for 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures, if any, have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list, if any, of the uncorrected misstatements is attached to the representation letter.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Board is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Board and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Board's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the Board's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The Board has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have reviewed, approved and accepted responsibility for your proposed adjustments to our general ledger account balances.

28) The Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29) The Board has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations if any.

31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .

32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

35) Provisions for uncollectible receivables have been properly identified and recorded.

36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

41) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.

42) We have appropriately disclosed the Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____

Title: _____

ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2024

6.2 Annual Allocation of Voting Rights.

The allocation of voting rights shall be determined on an annual basis beginning in January 2014, and continuing each and every January thereafter. Ninety percent (90%) of the voting rights shall be allocated to the voting members based on their respective annual 1% LOT contributions to the Board. The allocation shall use each city's year ending September 30 total fiscal year actual LOT revenue collection on taxable sales described in the each city's ballot question approved by each city's electorate. As set forth in the Joint Powers Agreement, the remaining ten percent (10%) of the voting rights shall be allocated to Hailey. For calendar year 2014, the voting rights shall be 49.86% for Ketchum, 35.10% for Sun Valley and 15.04 for Hailey. Voting rights for 2014 were calculated and for future calendar years shall be calculated as follows:

Total LOT collected in FY13

Ketchum	$1,774,378
Sun Valley	$1,248,522
Hailey*	$ 180,385
Total	$3,203,285

* (collected on lodging and car rentals)

Percent of total LOT collected

Ketchum	55.4%
Sun Valley	39.0%
Hailey	5.6%
Total	100%

Each city's percentage of total LOT multiplied by 90%

Ketchum	(.554 x .9) = 49.86%
Sun Valley	(.390 x .9) = 35.10%
Hailey	(.056 x .9) = 5.04%
Total	90.00%

Each city's voting rights (add 10% to Hailey's rights)

Ketchum	49.86%
Sun Valley	35.10%
Hailey 5.1% + 10% =	15.04 %
Total	100.00%

ns.

2024 Voting Rights

	Audited Total 1% LOT Collected in FY23	Percent of Total LOT Collected	Each City's Percentage of Total LOT Multiplied by 90%		Each City's Voting Rights (add 10% to Hailey's rights)
Ketchum	$2,791,851	64.3%	(.758 x .9) =	57.83%	57.83%
Sun Valley	$944,819	21.7%	(.213 x .9) =	19.57%	19.57%
Hailey	$132,248	3.0%	(.028 x .9) =	2.74%	12.74%
Total	$3,868,918	89.0%		80.14%	90.14%

2023 Voting Rights

	Audited Total 1% LOT Collected in FY22	Percent of Total LOT Collected	Each City's Percentage of Total LOT Multiplied by 90%		Each City's Voting Rights (add 10% to Hailey's rights)
Ketchum	$3,104,900	71.5%	(.758 x .9) =	64.32%	64.32%
Sun Valley	$1,082,613	24.9%	(.213 x .9) =	22.43%	22.43%
Hailey	$157,157	3.6%	(.028 x .9) =	3.26%	13.26%
Total	$4,344,670	100.0%		90.00%	100.00%

2022 Voting Rights

	Audited Total 1% LOT Collected in FY21	Percent of Total LOT Collected	Each City's Percentage of Total LOT Multiplied by 90%		Each City's Voting Rights (add 10% to Hailey's rights)
Ketchum	$3,307,358	77.1%	(.710 x .9) =	69.40%	69.40%
Sun Valley	$847,745	19.8%	(.251 x .9) =	17.79%	17.79%
Hailey	$134,238	3.1%	(.040 x .9) =	2.82%	12.82%
Total	$4,289,341	100.0%		90.00%	100.00%

2021 Voting Rights

	Audited Total 1% LOT Collected in FY20	Percent of Total LOT Collected	Each City's Percentage of Total LOT Multiplied by 90%		Each City's Voting Rights (add 10% to Hailey's rights)
Ketchum	$2,161,877	75.8%	(.758 x .9) =	68.24%	68.24%
Sun Valley	$608,188	21.3%	(.213 x .9) =	19.20%	19.20%
Hailey	$81,251	2.8%	(.028 x .9) =	2.56%	12.56%
Total	$2,851,316	100.0%		90.00%	100.00%

2020 Voting Rights

	Total 1% LOT Collected in FY19	Percent of Total LOT Collected	Each City's Percentage of Total LOT Multiplied by 90%		Each City's Voting Rights (add 10% to Hailey's rights)
Ketchum	$2,227,612	72.1%	(.721 x .9) =	64.86%	64.86%
Sun Valley	$756,721	24.5%	(.245 x .9) =	22.03%	22.03%
Hailey	$106,759	3.5%	(.035 x .9) =	3.11%	13.11%
Total	$3,091,092	100.0%		90.00%	100.00%

Mountain Rides BEB funding proposal

	Mtn Rides Ask Original	%
Ketchum	$ 600,000	50.0%
Sun Valley	$ 360,000	30.0%
Blaine County	$ 160,000	13.3%
Hailey	$ 75,000	6.3%
Bellevue	$ 5,000	0.4%
	$ 1,200,000	100.0%

Mtn Rides Revised ask:	$ 1,100,000
Proposed ASB funding	$ 700,000
ASK from jursidictions:	$ 400,000

Using Original Percentages

	Mtn Rides Ask From Jurisdictions	%	Adjusted Ask Adjusting for Bellevue in-kind contribution	
Ketchum	$ 200,000	50.0%	**$ 200,000**	50.0%
Sun Valley	$ 120,000	30.0%	**$ 120,000**	30.0%
Blaine County	$ 53,333	13.3%	**$ 50,000**	12.5%
Hailey	$ 25,000	6.3%	**$ 25,000**	6.3%
Bellevue	$ 1,667	0.4%	**$ 5,000**	1.3%
	$ 400,000	100.0%	**$ 400,000**	100.0%