Amended

AGENDA

SUN VALLEY AIR SERVICE BOARD MEETING

HAILEY CITY HALL
115 MAIN STREET SOUTH
HAILEY, ID
July 31, 2019 - 2:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

CONSENT AGENDA *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 Air Service Board Minutes of May 22, 2019 (Action Item);
2. Receive and File Financials:
   a. 1% Local Option Tax Report – March 2019 and April 2019 (Action Item);

PUBLIC HEARINGS

3. Consideration and adoption of the proposed Sun Valley Air Service Board Budget for FY 2020 for the expenditure of Local Option Tax (LOT) revenues received by the Sun Valley Air Service Board for taxes payable from the period of 10/1/19 through 9/30/20 (Action Item);

ACTION/DISCUSSION

4. Discussion and action regarding a proposal for auditing services for Fiscal Year 2019 (Action Item);
5. Authorization for Payment of Bills on-hand through July 26, 2019 (Action Item);
6. Update re renewal of the Sun Valley Air Service Board Joint Powers Agreement;
7. Update by Carol Waller, Fly Sun Valley Alliance;

EXECUTIVE SESSION – Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code and Idaho Code § 74-206 (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations (Action Item);

ADJOURNMENT (Action Item)

Please Note: *The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact Hailey City Hall prior to the meeting at 788-4221. Air Service Board Packets are online at www.haileycityhall.org; www.sunvalley.govoffice.com; and www.ketchumidaho.org.*

SUN VALLEY AIR SERVICE BOARD
MEETING MINUTES
May 22, 2019 at 2:00 PM
City of Sun Valley Council Chambers

Present: **Neil Bradshaw - Mayor, City of Ketchum**
Peter Hendricks – Mayor, City of Sun Valley
Fritz Haemmerle, Mayor, City of Hailey
Jacob Greenberg, Blaine County Chairman

Absent: **None**

Staff: **Susan Robertson – Administrator, City of Sun Valley**
Suzanne Frick – Administrator, City of Ketchum

CALL TO ORDER
Mayor Hendricks called the meeting to order at 2:02 PM.

PLEDGE OF ALLEGIENCE
Suzanne Frick, City Administrator from City of Ketchum, led the pledge.

PUBLIC COMMENT
None.

REMARKS FROM THE CHAIR
None.

REMARKS FROM THE BOARD
Blaine County Chairman Greenberg mentioned that It looks like the first part of June will be when the trees near the runway will be taken down. They are waiting for information from the FAA first. He also spoke about diversions and discussed how soon to be at the airport so one doesn't miss their flight.

CONSENT AGENDA
1. **Approval of Air Service Board Minutes of April 3, 2019**
   Chairman Greenberg proposed a few edits to the minutes, which were accepted.
2. **Receive and File Financials:**
   a. **1% Local Option Tax Report: February 2019**

Motion to approve the Consent Agenda, sans the minutes.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Hendricks, Mayor of Sun Valley
AYES:	Hendricks, Bradshaw, Haemmerle

Motion to approve the minutes.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Hendricks, Mayor of Sun Valley
AYES:	Hendricks, Bradshaw
ABSTAIN	Haemmerle

ACTION/DISCUSSION/PRESENTATIONS

3. Authorization of payment of bills on-hand through May 16, 2019.

Motion to authorize payment of bills on-hand through May 16, 2019.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Fritz Haemmerle, Mayor of Hailey
AYES:	Hendricks, Bradshaw, Haemmerle

4. Discussion and possible action regarding renewal of the Sun Valley Air Service Board Joint Powers Agreement.

Sun Valley City Administrator Robertson mentioned that at the last meeting it was decided to have Matt Johnson, Attorney from White Peterson, review the amended JPA. Greenberg noticed that all Commissioners had signed the joint powers agreement initially and this renewal lists just the chair. He would need to get approval of all the commissioners to sign on their behalf; it is on the upcoming Blaine County agenda. Haemmerele asked to place this item on the agenda for the next City council meeting and then come back to the Sun Valley Air Service Board for action.

TABLED until the next meeting.

EXECUTIVE SESSION

Motion to enter into Executive Session at 2:18 PM, pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code § 74-206 (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.

RESULT:	**ADOPTED [UNANIMOUS, ROLL CALL VOTE]**
MOVER:	Haemmerle, Mayor of Hailey
SECONDER:	Bradshaw, Mayor of Ketchum
AYES:	Hendricks, Bradshaw, Haemmerle (Roll Call Vote)

5. Update by Carol Waller, Fly Sun Valley Alliance, in Executive Session.

Motion to reconvene open session at 2:41 PM.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Bradshaw, Mayor of Ketchum
SECONDER:	Haemmerle, Mayor of Hailey
AYES:	Hendricks, Bradshaw, Haemmerle

ADJOURNMENT

Motion to adjourn at 2:42 PM.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Bradshaw, Mayor of Ketchum
SECONDER:	Haemmerle, Mayor of Hailey
AYES:	Hendricks, Bradshaw, Haemmerle

_____
Fritz Haemmerle, Chair

_____
Neil Bradshaw, Secretary/Treasurer

SUN VALLEY AIR SERVICE BOARD

1% LOCAL OPTION TAX REPORT

MARCH 2019 and APRIL 2019

1% LOT Generated	1% LOT Received	1% LOT Contribution Sun Valley	Ketchum	Hailey	TOTAL	Expenses Communities' Direct Costs	SVASB Adminsitrative Budget	Funds for Contracts	
Fund Balance								207,994.00	
Oct-18	Dec-18	33,520.10	154,784.92	6,220.31	194,525.33	-6,356.67	-3,025.00	185,143.66	
Nov-18	Jan-19	18,843.27	135,472.58	3,651.68	157,967.53	-6,284.73	-75.00	151,607.80	
Dec-18	Feb-19	83,237.35	281,950.71	7,437.28	372,625.34	-6,390.72	-75.00	366,159.62	S/B 365,109.91
Jan-19	Mar-19	55,839.88	197,874.24	11,027.33	264,741.45	-6,491.25	-75.00	258,175.20	
Feb-19	Apr-19	52,141.52	192,124.82	7,171.65	251,437.99	-6,383.29	-75.00	244,979.70	
Mar-19	May-19	78,124.75	201,127.33	9,845.07	289,097.15	-8,360.67	-75.00	280,661.48	
Apr-19	Jun-19	25,266.23	110,931.24	12,103.24	148,300.71	-5,308.49	-575.00	142,417.22	
May-19	Jul-19						-75.00		
Jun-19	Aug-19						-75.00		
Jul-19	Sep-19						-75.00		
Aug-19	Oct-19						-75.00		
Sep-19	Nov-19						-75.00		
	Total	346,973.09	1,274,265.83	57,456.56	1,678,695.49	(45,575.82)	(4,350.00)		

			Fly SV Alliance				SVMA			
			Budget	1,300,000			Budget	1,690,000		
			Remaining	619,541	48%		Remaining	533,320		32%
1% LOT Generated	1% LOT Received	Funds for Contracts	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds
Fund Balance		207,994.00	7%	14,559.58		14,559.58	93%	193,434.42		193,434.42
Oct-18	Dec-18	185,143.66	40%	74,057.46		88,617.04	60%	111,086.20		304,520.62
Nov-18	Jan-19	151,607.80	40%	60,643.12	149,260.16	0.00	60%	90,964.68	395,485.30	0.00
Dec-18	Feb-19	366,159.62	40%	146,463.85		146,463.85	60%	219,695.77		219,695.77
Jan-19	Mar-19	258,175.20	40%	103,270.08	249,733.93	0.00	60%	154,905.12	374,600.89	0.00
Feb-19	Apr-19	244,979.70	40%	97,991.88	97,991.88	0.00	60%	146,987.83	146,987.83	0.00
Mar-19	May-19	280,661.48	40%	112,264.59	112,264.59		60%	168,396.89	168,396.89	
* Apr-19	Jun-19	142,417.22	50%	71,208.61	70,788.72	183,053.31	50%	71,208.61	70,578.78	238,975.67
May-19	Jul-19		50%				50%			
Jun-19	Aug-19		50%				50%			
Jul-19	Sep-19		50%				50%			
Aug-19	Oct-19		50%				50%			
Sep-19	Nov-19		60%				40%			
	Total			680,459.17				1,156,679.52		

*subtract the overpayment in Jul over paid Jan-19 -419.89 from Funds for Contract Apr-19 , Jun-19 -629.83 from Funds for Contract Apr-19 , Jun-19

SUN VALLEY AIR SERVICE BOARD
FY 2020 PROPOSED BUDGET

	FY 2017 ACTUAL	FY 2017 ACTUAL	FY 2019 ADOPTED BUDGET	FY 2019 ESTIMATED ACTUAL	FY 2020 PROPOSED BUDGET	+/- FY 2019/2020	% CHANGE FY 2019/2020
REVENUES							
CITY OF HAILEY 1% LOCAL OPTION TAX	93,147	92,967	93,312	103,599	96,051	2,739	2.9%
CITY OF KETCHUM 1% LOCAL OPTION TAX	1,980,091	2,077,226	2,066,715	2,150,387	2,155,589	88,874	4.3%
CITY OF SUN VALLEY 1% LOCAL OPTION TAX	602,844	678,200	625,829	672,667	645,707	19,878	3.2%
INTEREST EARNINGS	687	1,314	500	1,300	1,000	500	100.0%
FUND BALANCE APPLIED	0	0	207,994	65,411	276,103	68,109	32.7%
TOTAL REVENUE	2,676,769	2,849,707	2,994,350	2,993,364	3,174,450	180,100	6.0%
EXPENDITURES							
CONTRACTS FOR SERVICES	3,005,750	2,568,849	2,990,000	2,990,000	3,170,000	180,000	6.0%
OFFICE SUPPLIES/POSTAGE	54	80	300	200	300	0	0.0%
ADVERTISING/PUBLIC NOTICES/WEBSITE	338	240	600	350	600	0	0.0%
AUDIT	995	1,100	1,100	1,100	1,100	0	0.0%
ATTORNEY FEES	0	1,225	1,000	365	1,000	0	0.0%
INSURANCE	1,201	1,349	1,350	1,349	1,450	100	7.4%
TRANSFER TO FUND BALANCE	0	0	0	0	0	0	n/a
TOTAL EXPENDITURES	3,008,338	2,572,843	2,994,350	2,993,364	3,174,450	180,100	6.0%
BEGINNING FUND BALANCE	446,347	114,778		391,642	326,231		
ENDING FUND BALANCE	114,778	391,642		326,231	50,128		

WORKMAN & COMPANY | Office of Accounting

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

July 10, 2019

Grant Gager
Sun Valley Air Service Board
P.O. Box 3801
Ketchum, ID 83340

Dear Grant,

Attached are documents containing our proposed contract for audit services. The essence of this contract is as follows:

1. We will audit the Board's financial statements for the year ended September 30, 2019.
2. Our fee for this work will not exceed $ 1,100 (unless additional work is necessary which would be negotiated.)
3. We will begin our audit services approximately December 16 and issue our report by January 31, 2020.

We are pleased to propose our services to the Board. If you accept our proposed contract, please sign and return a copy to our offices.

Sincerely yours,

Workman & Company

Certified Public Accountants

WORKMAN & COMPANY | Office of Accounting

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

July 10, 2019

Sun Valley Air Service Board
PO Box 3801
Ketchum, Idaho 83340

We are pleased to confirm our understanding of the services we are to provide the Sun Valley Air Service Board (Board) for the year ended September 30, 2019. We will audit the financial statements of the governmental activities including the related notes to the financial statements, which collectively comprise the basic financial statements of the Sun Valley Air Service Board as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Board's basic financial statements. The Board has determined not to include this MD&A as part of its financial statements. Such other RSI, 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. As part of our engagement, we will apply certain limited procedures to the Board's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis (Not Included)

2) Budgetary Information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Board and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Board's financial statements. Our report will be addressed to the Board of Commissioners of the Sun Valley Air Service Board. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing

of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Board is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditor is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Board's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Board in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies

of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Sun Valley Air Service Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Workman & Company, CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Workman & Company CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Board. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 16, 2019 and to issue our reports no later than January 31, 2020. This estimate annually is based on availability of records and cooperation of Board personnel. Brady Workman is the engagement manager and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $1,100 for fiscal year 2019. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Sun Valley Air Service Board and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Workman & Company

Workman & Company
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the Sun Valley Air Service Board.

By: _____

Title: _____

Date: _____

SUN VALLEY AIR SERVICES BOARD

INVOICES TO BE PAID

Through July 26, 2019

Fly Sun Valley Alliance	March 2019 LOT Invoice	$ 112,264.59
Sun Valley Marketing Alliance	March 2019 LOT Invoice	168,396.89
Fly Sun Valley Alliance	April 2019 LOT Invoice	$ 70,788.72
Sun Valley Marketing Alliance	April 2019 LOT Invoice	70,578.78
White Peterson	Invoice for legal services related to the Joint Powers Agreement extension	356.00
TOTAL		$422,384.98

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
3/31/2019	221

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT March 2019 - FSVA Contract Services May 2019	112,264.59	112,264.59

Total $112,264.59

FSVA CONTRACT SERVICES RENDERED

MAY 2019

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service opportunities & challenges; continued preparation for joint FSVA-FSVA strategic planning session to develop five year plan for air service and marketing (June 12)
- Continued preparations for airline meetings at upcoming Jumpstart Air Service Conference - June
- Updated SUN summer 2019 air service flight schedule, provided to key partners
- Organized/held post-season SUN diversion busing review meeting (May 20)
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Continued to provide information to Couloir Consulting for SVASB consulting project; met as necessary
- Worked with VSV and other marketing partners on air service marketing efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing & PR for air service *(print, digital)*
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- 2018/19 SUN Air Passenger survey; working on data analysis. Began work on Summer Air Passenger Survey.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
4/30/2019	222

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT April 2019 – FSVA Contract Services June 2019	70,788.72	70,788.72

Total $70,788.72

FSVA CONTRACT SERVICES RENDERED

JUNE 2019

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service opportunities & challenges
- FSVA-VSV Joint Planning meeting June 12: handled all meeting prep and follow up, compiled comprehensive pre-packet data analysis and information for review, arranged for facilitator and worked with them to develop agenda/process/survey of board members, arranged for meeting location/set up, participated in meeting, worked with facilitator on follow-up report shared with board members.
- Attended annual Jumpstart Air Service Conference; held meetings with key airline planning executives
- Updated SUN summer 2019 air service flight schedule, provided to key partners
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Continued to provide information/work with Couloir Consulting for SVASB consulting project; met as necessary
- Worked with VSV and other marketing partners on air service marketing efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing & PR for air service *(print, digital)*
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Continued work on 2019 Summer Air Passenger Survey - questions, schedule, etc. Began June 22, 2019.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

SUN VALLEY MARKETING ALLIANCE, INC.
PO Box 4934
Ketchum, ID 83340 US
208-726-3423
Scott@VisitSunValley.com
www.visitsunvalley.com

Invoice

BILL TO
Air Service Board PO Box 3801 Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1080	07/25/2019	$168,396.89	08/24/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board (deleted) Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing | March 2019	1	168,396.89	168,396.89

Thanks for the continued support of Visit Sun Valley.

BALANCE DUE **$168,396.89**

SUN VALLEY MARKETING ALLIANCE, INC.
PO Box 4934
Ketchum, ID 83340 US
208-726-3423
Scott@VisitSunValley.com
www.visitsunvalley.com

Invoice

BILL TO
Air Service Board PO Box 3801 Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1081	07/25/2019	$70,578.78	08/24/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board (deleted) Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing | April 2019	1	70,578.78	70,578.78

Thanks for the continued support of Visit Sun Valley.

BALANCE DUE **$70,578.78**

PO Box 4934, Ketchum ID 83340 | T- 208 726 3423 1 800 634 3347 F- 208 726 4533 | visitsunvalley.com

ASB Update

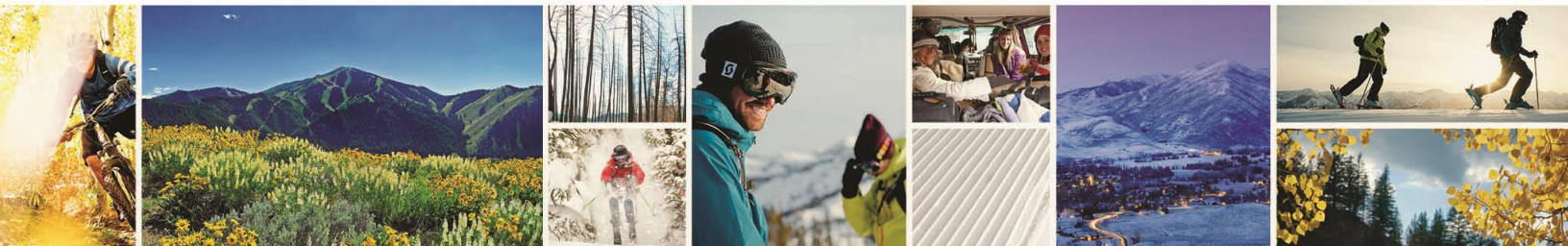
For March- April 2019

March 2019 Updates

- DestiMetrics:
    - Occupancy: January
        - paid: 38.9% in 2019 v. 39.5% in 2018 (-1.5%)
        - pure: 46.8% in 2019 v. 43.9% in 2018 (+6.6%)
    - ADR: $276 in 2019 v. $255 in 2019 (+8.2%)
    - 10 properties reporting- The Best Western Tyrolean Lodge is now participating (will annualize in November of 2019) & Pennay's is BACK on!
- Facebook fans: 8,073 | January +129
- Instagram followers: 14,600 (gained 500 since February)
- Website YTD sessions for 2019 to visitsunvalley.com were up +40% compared to 2018. Our session duration or time on site was down -25%. Our organic search traffic is up +31%.
- TripAdvisor overall page traffic was down -32% in January & down -7% for February. The main culprit was a drop-off in restaurant page traffic. Looking in to see if there is any insight as to why. We did see an increase of +15% for January and February on our specific DMO page.
- The PR momentum keeps rolling with robust stories in top-tier media
- Outerbike Sun Valley is coming together nicely

Marketing & Advertising

- We are wrapping up the last bit of our winter advertising promoting the Sun Valley Film Festival, spring skiing and our collaborative fly, stay and ski package offerings.
- Wrapped up our content partnership with TGR in which they ventured out for a week of filming for their Inbounds – Out of Bounds series which will launch next year.
- Placed remnant buys with Open Snow to ride on the coattails of the best month of snow we've had on record.
- Had our first review of our summer media plan with Backbone
- Had our first round of revisions for our summer "What We're Made Of" videos
    - Squash Blossom Farms | Sara Berman | Farm to Table & Dining
    - Hot Water Inn | Mark Oliver | Youth Arts & Culture
    - Adrian Montgomery | Family & Mountain Bike Advocacy
    - PW: VSV2019



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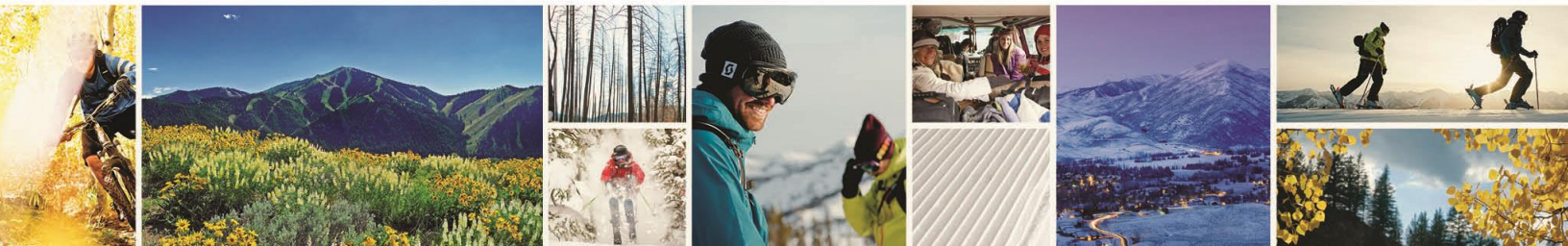
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the visitor is in town. Additionally, we have continued with our "Makers" series.

PR

- Working with Fahlgren-Mortine to continually refine our PR strategy for 2018/2019
  - Advisory Committee press release to the various local papers
  - Tackling the air diversion messaging
  - Summer kick-off
- Hosted influencer, Justin Walters from *Around the World with Justin*
  - Resulting coverage: 7 Things to Do in Sun Valley, Idaho
- Hosted freelance journalist Noah Lederman, who was brought in by Visit Idaho
- Hosted dinner with GoWest FAM in conjunction with Sun Valley Company
- Hosted dinner with Ski Magazine in conjunction with Sun Valley Company
- Working with the Sun Valley Film Festival to coordinate media visits for the event
- Working with Limelight Hotel to host media for late March visit
- Sun Valley Mentions & Features
  - Thrillist | Best Places to Travel in March
  - Pure Wow | 23 Best Ski Resorts in America
  - Matador Network | The Best Places to Travel this March
  - Unofficial Networks | Sun Valley Won This Past Weekend With 29" of Snow in 24 Hours
  - Family Skier | 5 Great Ski Areas for Non-Skiers
  - Jess Wandering | A Winter Wellness Getaway
  - Ski Journal | Knob Hill Inn – Sun Valley, ID – A Bit of Luxury in Ketchum

Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- Internally composed and distributed a variety of blog pieces including:
  - Unique Winter Experiences in Sun Valley
  - The Best Outdoor Hot Tubs & Pools in Sun Valley
  - How to Fit In Like a Local This Winter
  - Weather Related Air Diversions in Sun Valley
  - Guide to Renting Winter Sports Equipment
  - Choosing Where to Stay When Coming to Sun Valley



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February 2019 Updates

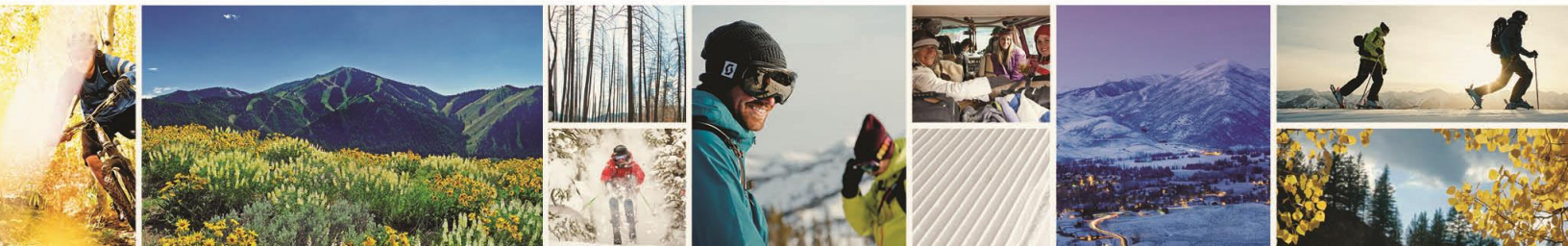
- DestiMetrics:
  - February
    - Occupancy - paid: 49.2% in 2019 v. 48.1% in 2018 (+2.3%)
    - Occupancy – unpaid: 58.2% v. 55.8% (+4.4%)
    - ADR: $267 v. $264 (+.9%)
  - 10 properties reporting
- Facebook fans: 8,203 | March +33, April +97
- Instagram followers: 14,900 (gained 200 since March)
- Website YTD sessions for 2019 to visitsunvalley.com were up +51% compared to 2018. Our session duration or time on site was down -25%. Our organic search traffic is up +32%.
- TripAdvisor overall page traffic was 34% in March and up 15% in February

Marketing & Advertising

- We're excited to be in the final phase of our website revamp. A preview of the site can be found here:
  - https://wordpress.visitsunvalley.com
  - Pw: Baldy
- We are full-swing in to our summer marketing initiatives.
- Outerbike remains a large focus with regional digital messaging to drive sign-ups.
- We're finalizing our summer content partnerships.
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the visitor is in town. Additionally, we have continued with our "Makers" series.

PR

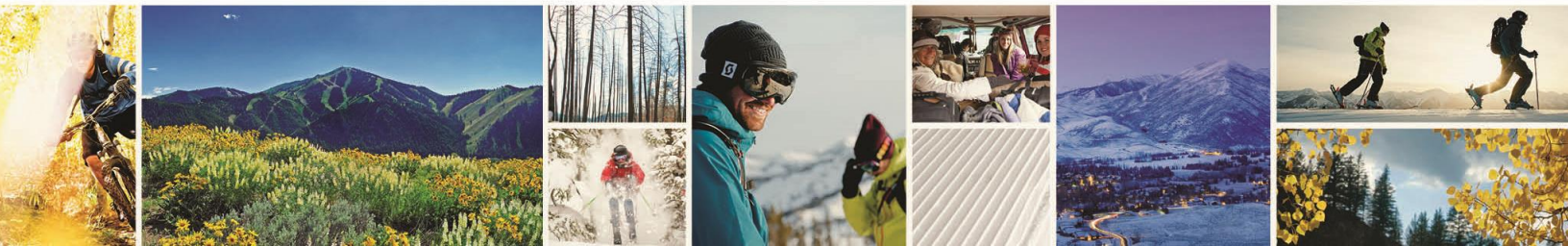
  - Local media mission driven by Limelight Hotel
  - Fall New York Media Mission
  - Summer kick-off
- Sun Valley Mentions & Features
  - Haute Living | Sun Valley, Idaho | An Emerging Wonderland With a Secret Past
  - AFAR | The Little-Known Idaho Road Trip You Need to Drive
  - Thrillist| The Best Places to Travel this March
  - Outside | The 25 Best Bike Rides in the World Right Now
  - Travel + Leisure | Why You Should Plan a Stargazing Road Trip in Idaho
  - Golf Digest | Best Golf Resorts in the Pacific Northwest



- Trivago | Astrotourism: 7 Best Places to Stargaze and Where to Spend the Night

Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- Internally composed and distributed a variety of blog pieces including:
  - Sun Valley Summer 2019 Concert Playlist
  - Golfing Around Sun Valley, Idaho
  - How to Fit In Like a Local This Winter
  - What We're Made Of: Wood River Studio Tour President – Suzanne Hazlett
  - Ketchum's Coffee Culture



WHITE PETERSON

ATTORNEYS AT LAW
CANYON PARK AT THE IDAHO CENTER
5700 EAST FRANKLIN ROAD, SUITE 200
NAMPA, IDAHO 83687
TEL (208) 466-9272
FAX (208) 466-4405
FED ID # 82-0309660

05/31/2019

Sun Valley Air Service Board
c/o Peter Hendricks, Mayor
Susan Robertson
P.O. Box 416
Sun Valley ID 83353

Account No: 25911-000M
Statement No: 134040

Joint Powers Agreement

Fees

			Hours	
05/01/2019	JE	Begin putting the Joint Powers Agreement into Word. No charge.	0.50	no charge
05/08/2019	JE	Finish putting the Joint Powers Agreement into Word. No charge.	1.40	
05/16/2019	MAJ	Review and research re: Air Service Board JPA; drafting of extension and renewal agreement.	1.20	
05/17/2019	JH	Put a signature page on the SVASB agreement and sent to Susan Robertson. Added City of Hailey and Blaine Co to the signature page and resent.	0.50	
	MAJ	Followup with Joan re: final versions on extension agreement; preparation for signature	0.20	
		For Current Services Rendered	3.80	365.00
		Total Current Work		365.00
		Balance Due		$365.00

Please include account number 25911.000 on your remittance.

A finance charge of 1.5% per month, compounded monthly, (19.6% Annual Percentage Rate) is charged on any balance remaining after the last day of the month in which the statement is sent, unless other arrangements have been made.