SECOND AMENDED

AGENDA

SUN VALLEY AIR SERVICE BOARD MEETING

HAILEY CITY HALL
115 MAIN STREET SOUTH
HAILEY, ID
January 30, 2019 - 2:00 P.M.

CALL TO ORDER

ROLL CALL

ELECTION OF OFFICERS FOR 2019 (Action Item)

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 Sun Valley Air Service Board Minutes of December 5, 2018 (Action Item);
2. Receive and File Financials:
   a. 1% Local Option Tax Report: October 2018 and November 2018 (Action Item);

PRESENTATIONS

3. Presentation of FY18 audited financial statement by Dennis Brown, CPA;
4. Fly Sun Valley Alliance, Semi-Annual Report, Carol Waller;
5. Sun Valley Marketing Alliance, Semi-Annual Report, Scott Fortner;

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/DISCUSSION/PRESENTATIONS

6. Receive and file Allocation of Voting Rights Report for 2019;
7. Discussion and possible action regarding renewal of the Sun Valley Air Service Board Joint Powers Agreement (Action Item);
8. Authorization of Payment of Bills on-hand through January 24, 2019 (Action Item);
9. Discussion and action regarding Sun Valley Air Service Board meeting scheduled for March 27, 2019 (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
December 5, 2018 at 2:00 PM
City of Sun Valley Council Chambers

Present:	**Neil Bradshaw – Mayor, City of Ketchum**
	Fritz Haemmerle – Mayor, City of Hailey
	Peter Hendricks – Mayor, City of Sun Valley
Absent:	**Larry Schoen – Blaine County Commissioner**
Staff:	**Suzanne Frick – Administrator, City of Ketchum**
	Susan Robertson – Administrator, City of Sun Valley

CALL TO ORDER
Mayor Fritz Haemmerle called the meeting to order at 2:05 PM.

PLEDGE OF ALLEGIANCE
The pledge of allegiance was led by Mayor Peter Hendricks.

PUBLIC COMMENT
None.

REMARKS FROM THE CHAIR
None.

REMARKS FROM THE BOARD
None

CONSENT AGENDA

1. **Approval of Sun Valley Air Service Board Minutes from October 24, 2018**
2. **Receive and File Financials**
    a. **1% Local Option Tax Report: September 2018**

Motion to approve the Consent Agenda.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Fritz Haemmerle. Mayor of Hailey
Abstain:	Peter Hendricks, Mayor of Sun Valley, abstained from the motion regarding the minutes
AYES:	Hendricks, Bradshaw, Haemmerle

PUBLIC HEARING

3. **Consideration and adoption of the amended Sun Valley Air Service Board Budget for FY 2018 for the expenditure of Local Option Tax (LOT) revenues received by the Sun Valley Air Service Board for taxes payable from the period of 10/1/17 through 9/30/18.**

City of Sun Valley Administrator Susan Robertson discussed the reason for this amendment and a brief discussion among the board ensued.

Mayor Haemmerle opened the public hearing at 2:10 PM. Hearing no comments, he closed the public hearing at 2:10 PM.

Motion to adopt the amended Sun Valley Air Service Board Budget for FY18.

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

ACTION/DISCUSSION/PRESENTATIONS

4. Update by Fly Sun Valley Alliance

Ron McNeil, consultant from Mead & Hunt, gave an air service/industry update. He went over what happens when there's a recession. He then discussed the fuel prices, trends, the seats by market, the top ski markets currently, and explained what is on the horizon. A few questions were asked by the Board to which McNeil responded.

EXECUTIVE SESSION

Motion to enter into Executive Session at 2:52 PM pursuant to Idaho Code 74-206 (d) to consider trade secrets that are exempt from disclosure as provided in Idaho Code 74-107.

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

5. Update by David Madaras, Couloir Consulting in Executive Session.

Motion to reconvene open session at 3:31.

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

ACTION/DISCUSSION/PRESENTATIONS

6. Discussion and action regarding payment schedules for Fly Sun Valley Alliance and Sun Valley Marketing Alliance for the 2018-2019 fiscal year.

Motion to approve payment schedules.

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

7. Authorization and payment of bills on-hand through November 29, 2018.

Motion to authorize payment of bills as presented.

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

8. Discussion and action regarding Resolution 2018-01 setting the Sun Valley Air Service Board meeting dates for 2019.

Motion to approve Resolution 2018-01.

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

ADJOURNMENT

Motion to adjourn at 3:36 PM.

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

_____
Fritz Haemmerle, Chair

_____
Neil Bradshaw, Secretary/Treasurer

SUN VALLEY AIR SERVICE BOARD
1% LOCAL OPTION TAX REPORT
OCTOBER 2018 AND NOVEMBER 2018

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						-75.00	
Jan-19	Mar-19						-75.00	
Feb-19	Apr-19						-75.00	
Mar-19	May-19						-75.00	
Apr-19	Jun-19						-575.00	
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	52,363.36	290,257.50	9,871.99	352,492.85	(12,641.40)	(4,350.00)	

			Fly SV Alliance				SVMA			
			Budget		1,300,000		Budget		1,690,000	
			Remaining		1,150,740	89%	Remaining		1,294,515	77%
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	60%	90,964.68		395,485.29
Dec-18	Feb-19		40%				60%			
Jan-19	Mar-19		40%				60%			
Feb-19	Apr-19		40%				60%			
Mar-19	May-19		40%				60%			
Apr-19	Jun-19		50%				50%			
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			149,260.16				395,485.29		

SUN VALLEY AIR SERVICE BOARD

KETCHUM, IDAHO

Financial Statements
at September 30, 2018

SUN VALLEY AIR SERVICE BOARD
KETCHUM, IDAHO
For the year ended September 30, 2018

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INDEPENDENT AUDITOR'S REPORT

December 19, 2018

Members of the Board
Sun Valley Air Service Board

Report on the Financial Statements

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, 2018 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 19, 2018, 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 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 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 Sun Valley Air Service Board's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD
Statement of Net Position
at September 30, 2018

ASSETS

Cash in Checking	$ 402,770	
Cash in LGIP	100,083	
Total Cash and Deposits		$ 502,853
Local Option Tax Receivables:		
City of Sun Valley	157,345	
City of Ketchum	413,295	
City of Hailey	23,158	
Total Tax Receivables		593,798
Total Assets		1,096,651

LIABILITIES

Accrued Contracts Payable:		
Fly Sun Valley	250,700	
Sun Valley Marketing	454,309	
Total Contracts Payable		705,009
Other Accounts Payable		0
Total Liabilities		705,009

NET POSITION

Invested in Capital Assets - net of related debt	0	
Restricted for Local Aviation Services	391,642	
Unrestricted	0	
Total Net Position		$ 391,642

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, 2018

Operating Revenues:		
Local Option Tax Revenues:		
City of Sun Valley	$ 678,200	
City of Ketchum	2,077,226	
City of Hailey	92,967	
Total Tax Revenues		$ 2,848,393
Interest Income		1,314
Total Operating Revenue:		2,849,707
Operating Expenses:		
Fly Sun Valley Contract	1,268,849	
Sun Valley Marketing Contract	1,300,000	
Professional Fees	2,325	
Insurance	1,349	
Administrative Expenses	320	
Total Operating Expenses		2,572,843
Operating Income		276,864
Total Net Position - Beginning		114,778
Total Net Position - Ending		$ 391,642

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, 2018

Cash Flows From Operating Activities:		
Receipts from other governments	$ 2,839,207	
Payments to suppliers and vendors	(2,698,723)	
Other receipts	0	
Net cash provided (used) by operations		$ 140,484
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	1,314	
Net cash used by investing activities		1,314
Net Increase (Decrease) in Cash and Equivalents		141,798
Balances - Beginning of the year		361,055
Balances - Ending of the year		$ 502,853
Displayed as:		
Cash and Deposits		502,853
Balances - Ending of the year		$ 502,853
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	276,864	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Net Interest Earnings/Expense	(1,314)	
Change in assets and liabilities:		
Local Option Taxes Receivable	(9,186)	
Accounts and Contracts Payable	(125,880)	
Net Cash Provided (Used) by Operating Activities:		$ 140,484

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Balance Sheet
Governmental Funds
at September 30, 2018

	General Fund	Total Governmental Funds
ASSETS:		
Cash and Deposits	$ 502,853	$ 502,853
City of Sun Valley LOT Receivable	157,345	157,345
City of Ketchum LOT Receivable	413,295	413,295
City of Hailey LOT Receivable	23,158	23,158
Total Assets	$ 1,096,651	$ 1,096,651
LIABILITIES:		
Accounts Payable	$ 705,009	$ 705,009
Due To Other Funds	0	0
Total Liabilities	705,009	705,009
FUND BALANCE:		
Non-spendable	0	0
Restricted	391,642	391,642
Committed	0	0
Assigned	0	0
Unassigned	0	0
Total Fund Balance	391,642	391,642
Total Liabilities and Fund Balance	$ 1,096,651	$ 1,096,651

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, 2018

	General Fund	Total Governmental Funds
REVENUE:		
Sun Valley 1% Local Option Tax Revenues	$ 678,200	$ 678,200
Ketchum 1% Local Option Tax Revenues	2,077,226	2,077,226
Hailey 1% Local Option Tax Revenes	92,967	92,967
Interest Earned	1,314	1,314
Total Revenue	2,849,707	2,849,707
EXPENDITURES:		
Contracted Services	2,568,849	2,568,849
Administrative Services	320	320
Professional Fees	2,325	2,325
Insurance	1,349	1,349
Total Expenditures	2,572,843	2,572,843
EXCESS REVENUE (EXPENDITURES)	276,864	276,864
OTHER FINANCING SOURCES (USES):		
Due (to) from other funds	0	0
NET CHANGE IN FUND BALANCES	276,864	276,864
FUND BALANCE - BEGINNING	114,778	114,778
FUND BALANCE - ENDING	$ 391,642	$ 391,642

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, $ 152,771 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	$ 100,083.

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	402,770
State of Idaho Investment Pool	100,083
Total	$ 502,853

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, 2018

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
REVENUES:			
City of Hailey 1% Local Option Tax	$ 92,967	$ 92,967	$ 0
City of Ketchum 1% Local Option Tax	2,077,226	2,077,226	0
City of Sun Valley 1% Local Option Tax	678,200	678,200	0
Earnings on investments	1,314	1,314	0
Total revenues	2,849,707	2,849,707	0
EXPENDITURES:			
Contracts for Services	2,568,849	2,568,849	0
Administrative Costs	1,000	320	680
Professional	2,325	2,325	0
Insurance	1,349	1,349	0
Total expenditures	2,573,523	2,572,843	680
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	276,184	276,864	680
FUND BALANCE - BEGINNING	114,778	114,778	
FUND BALANCE - ENDING	$ 390,962	$ 391,642	

The accompanying notes are a part of these financial statements.

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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 19, 2018

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, 2018 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 19, 2018.

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

ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2019

2019 Voting Rights

	Total 1% LOT Collected in FY18	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	$2,077,226	72.9%	(.729 x .9) =	65.63%	65.63%
Sun Valley	$678,200	23.8%	(.238 x .9) =	21.43%	21.43%
Hailey	$92,967	3.3%	(.033 x .9) =	2.94%	12.94%
Total	$2,848,393	100.0%		90.00%	100.00%

2018 Voting Rights

	Total 1% LOT Collected in FY17	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	$1,980,091	74.0%	(.74 x .9) =	66.59%	66.59%
Sun Valley	$602,844	22.5%	(.225 x .9) =	20.27%	20.27%
Hailey	$93,147	3.5%	(.035 x .9) =	3.13%	13.13%
Total	$2,676,082	100.0%		90.00%	100.00%

JOINT POWERS AGREEMENT ESTABLISHING THE SUN VALLEY AIR SERVICE BOARD TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION SERVICES AT FRIEDMAN MEMORIAL AIRPORT

November, 2013

This Agreement ("Agreement"), made and entered into on November 16, 2013, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

W I T N E S S E T H:

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have either: (i) voted in properly noticed public meetings to place before their respective voters on the November 5, 2013, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport, or (ii) previously received voter approval on the Ballot Questions; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Code Section 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements to the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. Establishment of Separate Legal Entity; Governance. The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.

2. Board Membership. The representatives of the Parties who shall be members of the Board shall be configured as described below:

A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.

B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.

C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.

D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.

E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.

F. Members of the Board shall serve without compensation.

3. Board Member Voting Power & Voting Majority.

A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2013, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.

B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.

C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) approve any initial Contract for Services with an entity or contractor or change an entity or contractor with a Contract for Services in excess of $50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

4. Term of Office. The term of office on said Board shall be for the following initial terms:

1 member from Ketchum for one (1) year
1 member from Sun Valley for one (1) year
1 member from Hailey for one (1) year
1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

5. Organization Bylaws. The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

6. Purposes and Powers. The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;

B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;

C. To fund administrative costs, if any, to carry out the purposes of the Board;

D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;

7. Manner of Financing. The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money collected,

less their direct costs to collect and enforce the tax, including administrative and legal fees, subject to allocations approved by each City Party's governing board.

A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.

B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.

C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.

D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.

E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

8. Contracts for Services. The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

9. Duration. The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should fewer than two City Parties pass a Ballot Question, this Agreement shall be terminated.

10. Dissolution of the Board. Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating contributions of each to the Board since its inception.

11. Mediation. Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

12. Execution and Effect. Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

13. Amendment. This Agreement may only be amended upon the unanimous approval of the voting Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Pages]

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this 5th day of September, 2013.

CITY OF KETCHUM

By: _____
Mayor

Date: 5/09/13

ATTEST:

Sandra E. Cady
City Clerk

CITY OF KETCHUM SEAL BLAINE COUNTY, IDAHO

CITY OF SUN VALLEY

By: _____
Mayor

Date: 8/28/13

ATTEST:

_____
City Clerk

CITY OF HAILEY

By: _____
Mayor

Date: 8/27/13

ATTEST:

_____
City Clerk

BLAINE COUNTY COMMISSIONERS

By: _____

Date: 10/1/13

By: _____

Date: 10/1/2013

By: _____

Date: 10.1.13

BOARD OF COUNTY COMMISSIONERS
BLAINE COUNTY IDAHO
SEAL

ATTEST:

_____

SUN VALLEY AIR SERVICES BOARD

INVOICES TO BE PAID

Through January 25, 2019

Fly Sun Valley Alliance	Fund Balance Invoice	$ 14,559.58
Fly Sun Valley Alliance	October 2018 LOT Invoice	74,057.46
Fly Sun Valley Alliance	November 2018 LOT Invoice	60,643.12
Sun Valley Marketing Alliance	Fund Balance Invoice	193,434.42
Sun Valley Marketing Alliance	October 2018 LOT Invoice	111,086.20
Sun Valley Marketing Alliance	November 2018 LOT Invoice	90,964.68
TOTAL		$544,745.46

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
10/1/2018	214

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 - FY18 Fund Balance - FSVA Contract Services	14,559.58	14,559.58
		Total	$14,559.58

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
10/31/2018	215

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 - October 2018 - FSVA Contract Services December 2018	74,057.46	74,057.46

Total $74,057.46

FSVA CONTRACT SERVICES RENDERED TO SVASB – December 2018

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
- Prepared for and held joint FSVA-VSV board/staff strategic planning meeting (Dec 5); including presentations on air service overview/history by FSVA and consultant Ron McNeil/Mead & Hunt, presentation on history of air service marketing by Scott Fortner/VSV and presentation on air + marketing analysis project for SVASB by Dave Madaras/Couloir Consulting.
- Continued to monitor/manage SUN diversion busing program. Continued to monitor/manage SUN diversion busing program. Held busing overview presentation meeting on Dec 10 for airlines, bus company, airport, FSVA to outline program to key operational stakeholders – lodging shuttles, taxis, etc.
- 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
- Provided research and other information on FSVA and other resort area air and marketing programs to VSV consultant Ralf Garrison for strategic planning situational analysis project.
- Worked with VSV and other marketing partners on air service marketing efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media; 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

- Began implementation of winter 2018/19 SUN 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 #
11/30/2018	216

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 - November 2018 - FSVA Contract Services January 2019	60,643.12	60,643.12

	Total	$60,643.12

FSVA CONTRACT SERVICES RENDERED TO SVASB – January 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 efforts on development of 5 year strategic plan for air service and marketing.
- Continued to monitor/manage SUN diversion busing program.
- 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 ongoing social media; 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

- Received/reviewed final 2017-18 SUN Air Passenger survey results from RRC; shared with key stakeholders
- Continued implementation of winter 2018/19 SUN Air Passenger survey - forms & collection
- 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
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
1074	01/28/2019	$193,434.42	02/27/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing_ Fund Balance for 2018	1	193,434.42	193,434.42

BALANCE DUE **$193,434.42**

SUN VALLEY MARKETING ALLIANCE, INC.
PO Box 4934
Ketchum, ID 83340
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
1071	01/23/2019	$111,086.20	02/22/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing | October 2018	1	111,086.20	111,086.20

BALANCE DUE **$111,086.20**

SUN VALLEY MARKETING ALLIANCE, INC.
PO Box 4934
Ketchum, ID 83340
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
1072	01/23/2019	$90,964.68	02/22/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing | November 2018	1	90,964.68	90,964.68

BALANCE DUE **$90,964.68**

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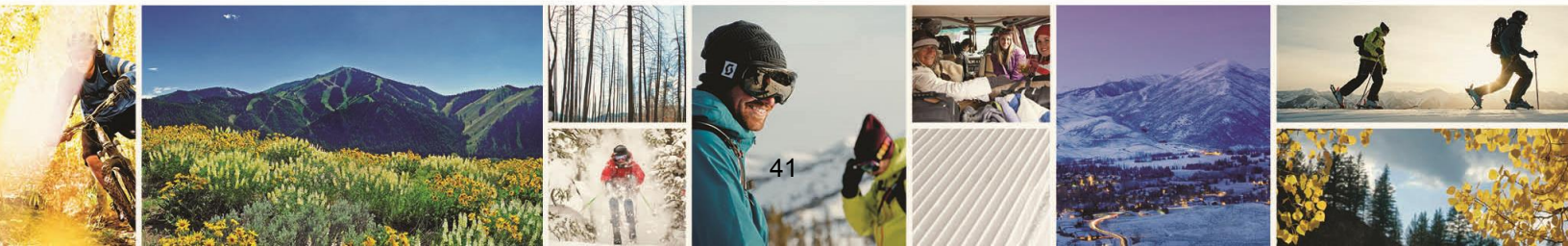
Operational Highlights October - Dec, 2018

Quick Updates

- DestiMetrics:
  - Occupancy (paid):
    - September- 43.0 (2018) v. 35.8% (2017) | 20% increase
    - October- 35.0 (2018) v. 31.6% (2017) | 10.8% increase
    - November- 24.9% (2018) v. 25.2% (2017) | 1.2% decrease
    - December- 37.2% (2018) v. 32.5 (2017) \ 14.6% increase
  - ADR:
    - September- $263 (2018) v. $279 (2017) | 5.9% decrease
    - October- $197 (2018) v. $191 (2017) | 3.2% increase
    - November- $151 (2081) v. $146 (2017) | 3.6% increase
    - December- $363 (2018) v. $378 (2017) /3.8% decrease
  - 10 properties reporting- The Best Western Tyrolean Lodge is now participating (will annualize in November of 2019), but Pennay's is no longer participating
- Facebook fans: 7,255 | September +341, October +278, November +341, December +319
- Instagram followers: 13,700 (gained 1600 since October)
- Website sessions for 2018 to visitsunvalley.com were down -22% compared to 2017. Our session duration or time on site was up +20%. Additionally, our organic search traffic is up +7%.
- Visit Sun Valley DMO page on TripAdvisor saw an increase in pageviews of 3% for October and 16% for November.
- Winter advertising is in full swing
- The *Fire That Saved Sun Valley* content project is currently being distributed via Outside TV and Teton Gravity Research

- Hosted ongoing Lodging Association meetings.
- Awarded grant from ITC for winter advertising.



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Marketing & Advertising

Our fall approach involved regional messaging utilizing NPR and paid social outlets with video and blog content.

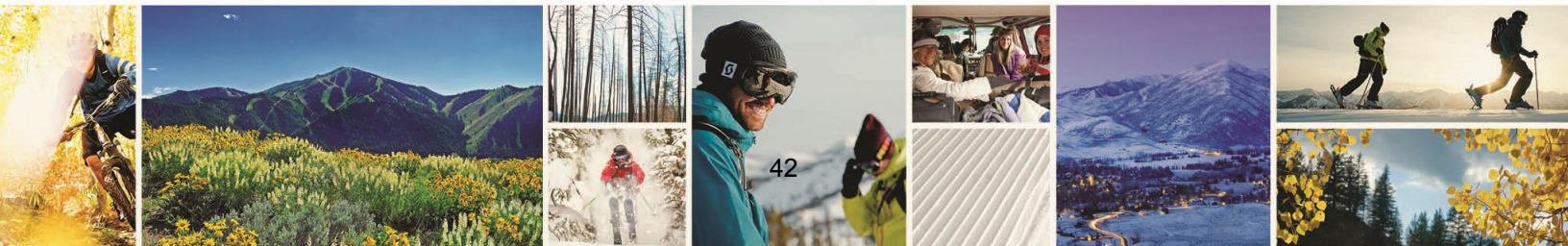
- Video: Guide to Fall & Trailing of the Sheep
- Blog content

- Initial winter advertising launch
  - Video content rollout – brand, culture seekers, adventure seekers & families
  - The Fire That Saved Sun Valley – Outside TV partnership, Forecast Magazine & IF3 film festival distribution
  - Content partnership with the New York Times piece to be live soon

  Winter advertising is in full swing. Our winter approach once again relies heavily on video content and includes several content partnerships.
  - Video: Winter Promos
  - Content Partnerships: New York Times, Freeskier, TGR, VICE, Inkwell & more
  - The Fire That Saved Sun Valley
- 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 rolled out a series featuring a variety of "Makers" in the Valley.

PR

- Working with Fahlgren Mortine to continually refine our PR strategy for 2018/2019
- Coordinating a Fall media mission to Boise in conjunction with the Limelight Hotel & Sun Valley Resort
- Brought in two journalists for Rebecca's Private Idaho
- Upcoming hosting of food influencer Liz Della Croce of The Lemon Bowl
- Sun Valley Mentions & Features
  - Reader's Digest | The Best Staycation in Every State
  - Northwest Travel Mag | Trailing of the Sheep 2018
  - Mercury News | Stunning Sun Valley: Hiking, Biking and Rafting in Idaho's Alpine Gem
  - Creators | Counting Sheep at Ketchum Festival
  - Unofficial Networks | North America's 10 Most Authentic Ski Towns
  - New York Times | Your Next Trip? It's Written in the Stars
  - Food Network | 50 States of Nachos



PR continued Winter

- Sent Shea Anderson from Fahlgren-Mortine to LA for desk side visits.
- Assisted in hosting journalist from the Ski Journal & the Fly Fish Journal in conjunction with the Knob Hill Inn
- Working on a joint international media FAM coordinated by the Limelight to bring 27 ski booking agents to the Valley (February 2-7)
- Sun Valley Mentions & Features
    - The New York Times | Think You Know Sun Valley, Idaho
    - Freeskier Magazine | The Skier's Guide to Sun Valley
    - United.com |7 Winter Wonderlands Around the World
    - Hemisphere's Magazine | Après 3 Ways
    - Pure Wow | 7 Direct Flights from Chicago that Will Transport You to Another World
    - Houston Chronicle | What's New at North America's Ski Resorts this Winter
    - Architectural Digest | The 50 Most Beautiful Small Towns in America

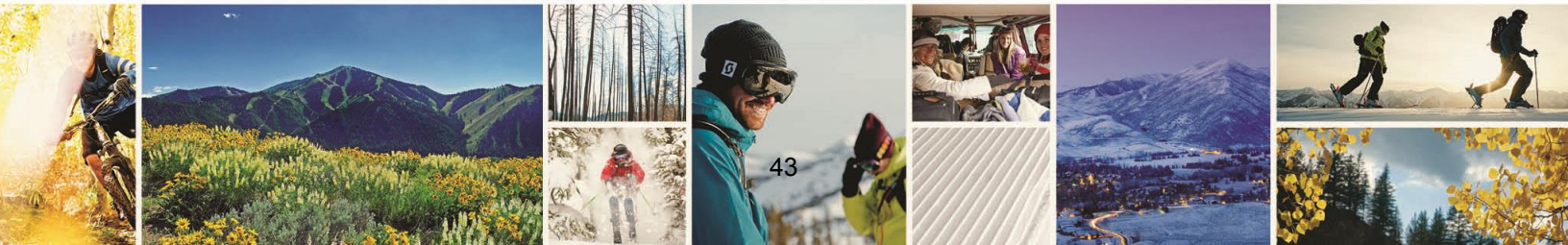
Social Media

Fall

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- Internally composed and distributed a variety of blog pieces including:
    - Dog-Friendly Guide to Sun Valley & Ketchum
    - Couple's Weekend Guide to Sun Valley
    - A Vegetarian & Vegan Guide to Eating in Sun Valley
    - Cowboy-Up: Sun Valley's Western Heritage
    - Oktoberfest in Ketchum: Raising a Stein in Honor of History

Winter

- Internally composed and distributed a variety of blog pieces including:
    - Best Fireplaces to Cozy-Up to in Sun Valley
    - Local Beta for Planning Your Ski Trip to Sun Valley
    - 5 Winter Walks for the Family
    - Planning the Winter Family Trip to Sun Valley
    - Winter Events in Ketchum & Sun Valley
    - What We're Made Of: Courtney Hamilton
    - What We're Made Of: Scott Robinson
    - What We're Made Of: Mason Family
    - What We're Made Of: Andy Gilbert



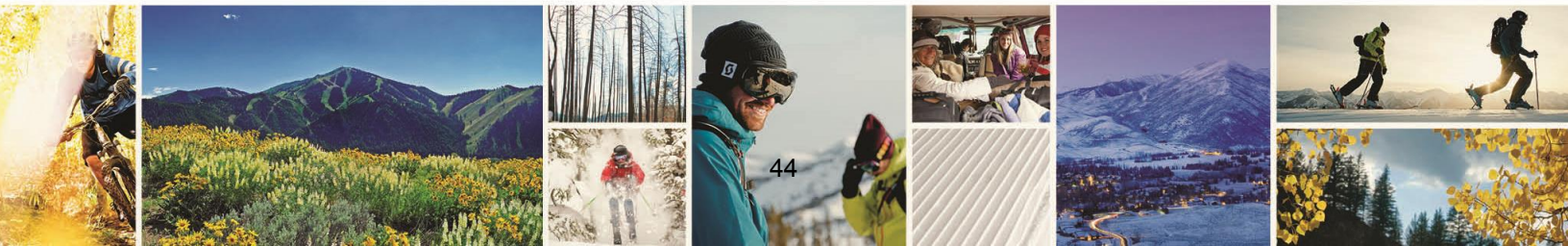
- What We're Made Of: Nate Sheehan
- What We're Made Of: Molly Snee

Visitor Center

- The staff served a daily average of
  - 48 people in October
  - 31 people in November
  - 42 people in December (high of 130 on December 28th)
- The staff received an average of 3 calls per day
  - The team has toured: The Community Library, the Hemingway House, remodeled Tamarack Lodge and the Argyros
- *Performed* employee reviews
- Worked on INFO center flow The metal desk was removed, a new bar/desk was installed = more agent visibility, bench by the window was raised (and now more used), new exterior furniture in place, new maps printed & mounted on walls

Membership, Administration and Finance

- VSV team attended the DMA West conference in Boise
  - Scott and Ray met with Matt Borud from ITC
- Aly and Scott met with:
  - New ED from the Sun Valley Air Club
  - Toured JYTTE's factory in Hailey
  - Doug and Margaret from the Argyros
  - Lodging Association
- Scott held meetings concerning Outerbike and contractor Ralf Garrison
- Scott met with Wendy Jaquet
- Scott met with Mayor Bradshaw
- Visit Sun Valley hosted the Big Sky Chamber
- Scott attended the Economic Council meeting, the Fly Sun Valley Alliance Board meeting and the Air Service Board meeting
- Scott conducted Aly and Ray's annual reviews
- VSV contracts with the cities of Sun Valley and Ketchum are completed and signed for the 2018.2019 fiscal year



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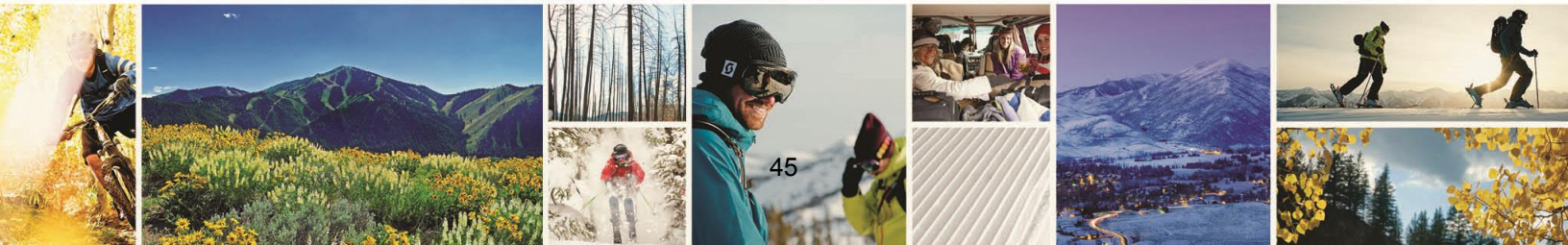
Membership, Administration and Finance continued…

- Community Meeting (bi-annual) on November 7
- Ray presented to the Sun Valley City Council for VSV's biannual check-in
- Ray and Aly attend the monthly Dark Sky committee meetings
- Ray, Aly and Scott attended Ketchum's Events Task Force meeting (v.3)
- Scott continuing research project with The Advisory Group
- Ray & Aly toured the new Mountain Humane facility & the Argyros Theatre
- The team attended ICORT in Pocatello and Sun Valley Economic Development's Economic Summit
- Scott (Hailey) and Ray (Ketchum) attended the Chamber's 'State of the Cities' on Nov. 8 & 9
- VSV's Executive Committee & FSVA's Executive Committee met on November 13
- VSV hosted 4 Place Branding workshops, conducted by Origin, for the community
- Scott attended: regular FSVA & ASB board meetings, SVED Retreat on Dec. 4,
- Scott & Aly attended a Diversion Brainstorming meeting on November 29th, which led to a concierge/transportation 'public' meeting on December 10
- Scott met with the Air Consultant (FSVA) & with David Madrias
- Aly met with the Executive Director of the Local Food Alliance
- Aly & Ray met with the Executive Director of the Nordic Festival
- Found a new location for the office
- The team has had 2 workshop meetings about redeveloping our website