

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
SUN VALLEY CITY HALL
81 Elkhorn Road
Wednesday, January 19, 2022 - 2:00 PM

VIRTUAL PARTICIPATION IS HIGHLY ENCOURAGED

Join Zoom Meeting

<https://us02web.zoom.us/j/86537359038?pwd=Ujcyd1E4akt4NGgxOW0yUVJaREZEdz09>

Meeting ID: 865 3735 9038

Passcode: 041116

One tap mobile

+12532158782,,86537359038#,,,,*041116# US (Tacoma)

+13462487799,,86537359038#,,,,*041116# US (Houston)

CALL TO ORDER

ROLL CALL

ELECTION OF OFFICERS FOR 2022 (action item)

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

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

1. Receive and File Financials:
 - a. 1% Local Option Tax Report: October - November 2021

ACTIONS/DISCUSSIONS/PRESENTATIONS

2. Authorization for Payment of Bills on-hand through January 14, 2022 (action item)
3. Receive and file Allocation of Voting Rights Report for 2022 (action item)
4. Presentation and acceptance of FY21 audited financial statements by Dennis Brown, CPA (action item)
5. Fly Sun Valley Alliance Air Service Update
6. Sun Valley Marketing Alliance Update

EXECUTIVE SESSION – IF CALLED

Pursuant to Idaho Code § 74-206 (d) to consider trade secrets that are exempt from disclosure as provided in Idaho Code 74-107.

ADJOURNMENT

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

Memo

To: Sun Valley Air Service Board
From: Nancy Flannigan
City Clerk/Asst. to the City Admin., City of Sun Valley
Date: January 19, 2022
Re: Election of Officers for 2022

The Sun Valley Air Service Board officers are the positions of Chair, Vice-Chair, and Secretary/Treasurer. Section 3.1 of the Sun Valley Air Service Board Bylaws specifies that all officers shall be voting members of the Board and, as the first item of business at the first regular meeting of the Board in which a quorum is present, the Board shall elect a Chair, Vice-Chair and Secretary/Treasurer. Officer terms are for one (1) year in duration and the duties of the officers are not required to rotate among the members each year. The duties of the officers follow:

1. The Chair presides at all meetings and hearings of the Board, maintains order, and conducts the meetings in accordance with the voting and motion procedures set forth in the Bylaws. Other duties include setting the agenda for each meeting and executing all contracts and checks approved by the Board. The Chair, with the consent of the Board, is also able to appoint standing or ad hoc committees when necessary to carry out the functions of the Board.
2. The Vice-Chair performs the duties of the Chair if the Chair is absent or unable to preside at a meeting.
3. The Secretary/Treasurer keeps the minutes of Board meetings and signs the minutes when approved by the Board. The preparation and retention of the minutes has been delegated to appropriate staff from the member cities. The Secretary/Treasurer also has charge and custody of and is responsible for all funds received by the Board and deposit the funds at the bank. The Secretary/Treasurer, along with the Chair, also signs all checks approved by the Board.

Staff recommends to re-elect Neil Bradshaw as Chair, Martha Burke as Vice-chair and Peter Hendricks as Secretary/Treasurer.

| 1% LOT Received | 1% LOT Contribution | | | | Expenses | | Funds for Contracts |
|-----------------|---------------------|-------------------|------------------|-------------------|---------------------------|-----------------------------|---------------------|
| | Sun Valley | Ketchum | Hailey | TOTAL | Communities' Direct Costs | SVASB Administrative Budget | |
| Dec-21 | 47,059.10 | 195,940.55 | 8,749.05 | 251,748.70 | (6,651.38) | -450 | 244,647.32 |
| Jan-22 | 41,387.51 | 184,116.71 | 5,765.71 | 231,269.93 | (6,505.18) | -450 | 224,314.75 |
| Feb-22 | - | - | - | - | - | 0 | - |
| Mar-22 | - | - | - | - | - | 0 | - |
| Apr-22 | - | - | - | - | - | 0 | - |
| May-22 | - | - | - | - | - | 0 | - |
| Jun-22 | - | - | - | - | - | 0 | - |
| Jul-22 | - | - | - | - | - | 0 | - |
| Aug-22 | - | - | - | - | - | 0 | - |
| Sep-22 | - | - | - | - | - | 0 | - |
| Oct-22 | - | - | - | - | - | 0 | - |
| Nov-22 | - | - | - | - | - | 0 | - |
| Total | 88,446.61 | 380,057.26 | 14,514.76 | 483,018.63 | (13,156.56) | (900.00) | 468,962.07 |
| City Budgeted | 650,000.00 | 1,900,000.00 | 115,000.00 | 144,075.00 | Total Budget | 2,809,075.00 | 468,962.07 |

| Fly SV Alliance | | | | SVMA | | |
|-----------------|------------------|-----------|-----|--------|------------------|-----------|
| FY2022 | Budget Remaining | 1,200,000 | 83% | FY2022 | Budget Remaining | 1,605,075 |
| | | 998,346 | | | | 1,337,767 |

| 1% LOT Received | Funds for Contracts | % of Available Funds Owed | Funds for Contract | Invoiced Amount | Available Funds | Check | % of Available Funds Owed | Funds for Contract | Invoiced Amount |
|-----------------|---------------------|---------------------------|--------------------|-------------------|-----------------|-------|---------------------------|--------------------|-------------------|
| Dec-21 | 244,647.32 | 43% | 105,198.35 | | | | 57% | 139,448.97 | |
| Jan-22 | 224,314.75 | 43% | 96,455.34 | 201,653.69 | | | 57% | 127,859.41 | 267,308.38 |
| Feb-22 | 0.00 | 43% | - | | | | 57% | - | |
| Mar-22 | 0.00 | 43% | - | | | | 57% | - | |
| Apr-22 | 0.00 | 43% | - | | | | 57% | - | |
| May-22 | 0.00 | 43% | - | | | | 57% | - | |
| Jun-22 | 0.00 | 43% | - | | | | 57% | - | |
| Jul-22 | 0.00 | 43% | - | | | | 57% | - | |
| Aug-22 | 0.00 | 43% | - | | | | 57% | - | |
| Sep-22 | 0.00 | 43% | - | | | | 57% | - | |
| Oct-22 | 0.00 | 43% | - | | | | 57% | - | |
| Nov-22 | 0.00 | 43% | - | | | | 57% | - | |
| Total | | | 201,653.69 | 201,653.69 | - | | | 267,308.38 | 267,308.38 |

| Cash Flow Statement | |
|---------------------|--------------------------------------|
| 529,015.81 | cash balance |
| (267,308.38) | SVMA |
| (201,653.69) | Fly Sv Alliance |
| - | Miscellaneous |
| 40,687.51 | Sun Valley Revenue |
| 5,483.19 | Hailey Revenue |
| 178,594.05 | Ketchum Revenue |
| - | Investment transfer to be authorized |
| 284,818.49 | ending cash balance |

LGIP #3358

**SUN VALLEY AIR SERVICE BOARD
INVOICES TO BE PAID**

Through: January 14, 2022

| Vendor | Date | Invoice # | Description | Amount |
|---------------------------|------------|-----------|---|----------------------|
| Fly Sun Valley Alliance | 10/31/2021 | 271 | 1% LOT October Collections (December Contract Services) | 105,198.35 |
| Fly Sun Valley Alliance | 11/30/2021 | 272 | 1% LOT November Collections (January Contract Services) | 96,455.34 |
| Visit Sun Valley | 1/13/2022 | 1422 | 1% LOT October Collections (December Contract Services) | 139,448.97 |
| Visit Sun Valley | 1/13/2022 | 1423 | 1% LOT November Collections (January Contract Services) | 127,859.41 |
| Workman and Co. | 12/22/2021 | n/a | Audited Financial Statements - FY21 | 1,300.00 |
| Total Invoices to be paid | | | | <u>\$ 470,262.07</u> |

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

| Date | Invoice # |
|------------|-----------|
| 10/31/2021 | 271 |

| Bill To |
|---|
| Sun Valley Air Service Board Attn: Shellie Rubel & Jade Riley City of Ketchum |

| P.O. No. | Terms | Project |
|----------|----------------|---------|
| | Due on receipt | |

| Quantity | Description | Rate | Amount |
|----------|--|--------------|--------------|
| | 1% LOT October collections – FSVA Dec services | 105,198.35 | 105,198.35 |
| | | Total | \$105,198.35 |

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

| Date | Invoice # |
|------------|-----------|
| 11/30/2021 | 272 |

| Bill To |
|---|
| Sun Valley Air Service Board Attn: Shellie Rubel & Jade Riley City of Ketchum |

| P.O. No. | Terms | Project |
|----------|----------------|---------|
| | Due on receipt | |

| Quantity | Description | Rate | Amount |
|----------|--|--------------|-------------|
| | 1% LOT Nov collections – FSVA Jan services | 96,455.34 | 96,455.34 |
| | | Total | \$96,455.34 |



FSVA CONTRACT SERVICES RENDERED TO SUN VALLEY AIR SERVICE BOARD

DECEMBER 2021

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports, monthly performance reports
- Ongoing research/analysis of seat, enplanements, load factors, fares for SUN vs other markets
- Began discussions/negotiations with airlines about summer 2022 service schedules and contracts.
- Followed up on securing updated diversion busing signage, materials, 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.
- Worked w/ VSV and other partners on air service marketing efforts, promotional air voucher mgmt
- Prepared information for and held joint planning session with FSVA & VSV board

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website
- Created and distributed updated 2021/22 SUN winter air service schedule
- Created/coordinated/executed FSVA/FMA joint local public education/outreach campaign
- Created/executed ongoing FSVA local marketing & PR for air service (*print, digital*)
- Attended regular meetings of FMAA board, VSV board, Blaine County Economic Business Committee, and other community/stakeholder meetings
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Received and review completed 2021 summer SUN air passenger survey report and data analysis
- Developed winter 2021/22 online air passenger survey for SUN, began implementation
- Continued compiling/tracking relevant news and comparative data and information on air service



FSVA CONTRACT SERVICES RENDERED TO SUN VALLEY AIR SERVICE BOARD

JANUARY 2022

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports, monthly performance reports
- Ongoing research/analysis of seat, enplanements, load factors, fares for SUN and other markets
- Continued discussions with airlines re: summer 2022 service schedules and contracts.
- Monitored diversion busing service and tracked monthly statistics
- Ongoing communication with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Worked w/ VSV and other partners on air service marketing efforts, promotional air voucher mgmt
- Continued strategic planning efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews, social media channels, website
- Created and distributed updated 2021/22 SUN winter air service schedule
- Created and distributed revised 2022 SUN airline route map
- Selected web designer, began work on new upgraded FSVA website
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign
- Created/executed ongoing FSVA local marketing & PR for air service (*print, digital*)
- Attended regular meetings of FMAA board, VSV board, Blaine County Economic Business Committee, and other community/stakeholder meetings
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Developed winter 2021/22 online air passenger survey for SUN, began implementation
- Continued compiling/tracking relevant news and comparative data and information on air service

Visit Sun Valley
PO Box 4934
Ketchum, ID 83340 US
208-725-2104
jessica@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 |
|-----------|------------|--------------|------------|--------|----------|
| 1422 | 01/13/2022 | \$139,448.97 | 02/12/2022 | Net 30 | |

| ACTIVITY | QTY | RATE | AMOUNT |
|--|-----|------------|------------|
| Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing October 2021 | 1 | 139,448.97 | 139,448.97 |

BALANCE DUE

\$139,448.97

Visit Sun Valley
PO Box 4934
Ketchum, ID 83340 US
208-725-2104
jessica@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 |
|-----------|------------|--------------|------------|--------|----------|
| 1423 | 01/13/2022 | \$127,859.41 | 02/12/2022 | Net 30 | |

| ACTIVITY | QTY | RATE | AMOUNT |
|---|-----|------------|------------|
| Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing November 2021 | 1 | 127,859.41 | 127,859.41 |

BALANCE DUE

\$127,859.41

VISIT SUN VALLEY

visitsunvalley.com | 160 sun valley rd. ketchum, id 83340 | 208.726.2104

Sun Valley Air Service Board January 2022 Operational Highlights | August - December

Executive Summary

The 4th quarter of 2021 has kept us all on our toes. Remaining nimble, patient and flexible continues to be the name of the game. Just as we think the tourism space is returning to a familiar place, we are once again thrown another curveball. Being willing to do our best to be accommodating, providing pre-trip information and staying in close contact with our stakeholders is imperative. We're grateful for the travelers willing to venture to Sun Valley, especially those who are understanding of local ordinances and the hurdles that businesses, workforce and locals are working to overcome.

At the core of the organization, we remain dedicated to keeping the tourism economy churning. At the same time, we continue to embrace the destination management side of things in order to give the traveler the best possible and most informed experience while ensuring that the local community has the understanding of the current state of affairs and the tools to maintain the unique mountain culture and spirit established in Sun Valley.

We are once again focusing on retargeting past guests that are Epic pass holders. Think "loyalty" in the "awareness >> loyal >> retention" lifecycle. We are currently evaluating unique media opportunities to execute our winter tactics with Backbone Media.

In addition to our outward-facing messaging, we will continue to build on the momentum of our "Stay Sunny" campaign with adjustments geared towards winter. We are currently working through this next iteration with our creative agency, Two Things.

[Winter 2021/2022 Community Forum Deck](#)

[Winter 2021/2022 Community Toolkit](#)

VISIT SUN VALLEY

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DestiMetrics Occupancy Reports:

- August
 - Occupancy – paid:
 - 57% v. 46% in 2020 = 26%
 - 57% v. 61% in 2019 = -5%
 - Room Nights:
 - Available:
 - 20,001 v. 20,523 in 2020 = -3%
 - 20,001 v. 21,721 in 2019 = -8%
 - Sold:
 - 11,487 v. 7,629 in 2020 = 51%
 - 11,487 v. 13,497 in 2019 = -15%
 - ADR:
 - \$346 v. \$267 in 2020 = 29%
 - \$346 v. \$316 in 2019 = 9%
- September
 - Occupancy – paid:
 - 44% v. 45% in 2020 = -1%
 - 44% v. 46% in 2019 = -4%
 - Room Nights:
 - Available:
 - 20,023 v. 19,687 in 2020 = 2%
 - 20,023 v. 20,788 in 2019 = -4%
 - Sold:
 - 8,953 v. 5,705 in 2020 = 57%
 - 8,953 v. 9,391 in 2019 = -5%
 - ADR:
 - \$313 v. \$236 in 2020 =
 - \$313 v. \$231 in 2019 =
- October
 - Occupancy – paid:
 - 33% v. 35% in 2020 = -5%
 - 33% v. 38% in 2019 = -13%
 - Room Nights:
 - Available:
 - 20,550 v. 20,764 in 2020 = -1%
 - 20,550 v. 21,787 in 2019 = -6%
 - Sold:
 - 6,746 v. 5,705 in 2020 = -18%
 - 6,746 v. 8,264 in 2019 = -26%
 - ADR:
 - \$220 v. \$195 in 2020 =
 - \$220 v. \$231 in 2019 =
- November

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- Occupancy – paid:
 - 21% v. 17% in 2020 = **19%**
 - 21% v. 25% in 2019 = **-16%**
- Room Nights:
 - Available:
 - 17,439 v. 19,687 in 2020 = **-5%**
 - 17,439 v. 20,788 in 2019 = **-12%**
 - Sold:
 - 3,591 v. 3,179 in 2020 = **13%**
 - 3,591 v. 4,861 in 2019 = **-26%**
- ADR:
 - \$204 v. \$185 in 2020 = **10%**
 - \$204 v. \$155 in 2019 = **32%**
- December
 - Occupancy – paid:
 - 44% v. 45% in 2020 = **-1%**
 - 44% v. 46% in 2019 = **-4%**
 - Room Nights:
 - Available:
 - 20,023 v. 19,687 in 2020 = **24%**
 - 20,023 v. 20,788 in 2019 = **23%**
 - Sold:
 - 9,019 v. 6,077 in 2020 = **48%**
 - 9,019 v. 7,954 in 2019 = **13%**
 - ADR:
 - \$459 v. \$358 in 2020 = **28%**
 - \$459 v. \$363 in 2019 = **26%**

Social Media

The social media realm is an ever-evolving creature, and we are doing our best to stay up on the latest trends. Day to day activities include posting inspirational, in-the-moment content, fielding incoming questions, crafting blogs, and managing our weekly newsletter.

Touchpoints

- [Facebook](#) followers: August **+27**; September **+380** October **+45**; November **-356**; December; **+8**
- [Instagram](#) followers: **+600** gained since July
- [Website](#): August - December 2021 sessions to visitsunvalley.com were up **+5%** compared to the same period last year. Our session duration or time on site was up **-7%**. Our organic search sessions are up **+12%**.
- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- Internally composed, updated/edited and distributed a variety of blog pieces including:
 - [24 Hours in Sun Valley: October – Cassie Abel, Wild Rye](#)
 - [Late Night Eats in Sun Valley](#)
 - [24 Hours in Sun Valley: September – Kevin Jones - Sawtooth Brewery](#)

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- [24 Hours in Sun Valley: November – Miles to Go Fitness](#)
- [24 Hours in Sun Valley: December – Independent Goods](#)
- [McCall vs Sun Valley](#)
- [Salt Lake to Sun Valley Travel](#)
- [What to Expect in Sun Valley this Winter](#)

Promotions

We continued to shift away from the heavy emphasis on paid social media as an outlet. We swapped those placements with more niche audience bases that will allow us to tell more unique stories of the destination. The partners that we aligned with that have had content come out this fall & winter included:

- [Matador Network](#) – Airstream Partnership
- [Yoga Journal](#) – The Healing Power of Open Spaces
- [The Moth](#) – Stories of Sun Valley, Idaho

Additional outlets include

- Warren Miller - Ski Movie
- Match Stick Productions - Ski Movie
- Pandora
- Google Discovery
- YouTube
- Connected TV

Whenever possible, we leverage the benefits found from guided experiences.

PR

We have been pitching the guided experiences and the Mindfulness in the Mountains stewardship component to journalists as a counter approach to the “over tourism” stories. Ensuring that journalists know that we have a full slate of events happening and a robust flight schedule is a top priority.

Sun Valley Mentions & Features

- [Outside](#) | Five Reasons Sun Valley is the Ultimate Ski Resort
- [Forbes](#) | A Local’s Dilemma
- [The Moth](#) | Stories of Sun Valley, Idaho
- [Yoga Journal](#) | The Healing Power of Open Spaces
- [US News](#) | Idaho Resort Region, Once COVID Hotspot, Is Vaccine Leader
- [SVPN](#) | Let’s Stay Sunny
- [World Wide Nate](#) | Sun Valley, Idaho – An Epic Adventure Recap
- [AFAR](#) | Why Visiting Sun Valley, Idaho is the Shangri-La of Vacations
- [WSJ](#) | The Beauty of Buying a Ski Home in Idaho? Nobody Knows a Thing About It
- [Yoga Journal](#) | Reconnect with Nature to Soothe Your Soul
- [KAVU](#) | 2021 Fall Lookbook Video
- [Outside](#) | The 5 Most Dog-Friendly Cities in the US
- [Conde Nast](#) | 13 Scenic Fall Foliage Trips That Aren’t in New England
- [MSN](#) | These Are the Most Beautiful Lakes in the USA
- [Trips to Discover](#) | 16 Best Mountain Towns in the U.S.

VISIT SUN VALLEY

visitsunvalley.com | 160 sun valley rd. ketchum, id 83340 | 208.726.2104

- [MSP Films](#) | Stomping Grounds Trailer
- Many more to browse [here](#)

Stay Sunny

We want SV to remain welcoming to our tourists. And we want our tourists to help keep the place special and appreciate what SV has to offer—not try to change it to suit the tastes of wherever they came from (fast-food chains, Uber & Lyft gridlock, etc). The objectives behind campaign focuses on:

- Positive sentiment among locals about tourism and community growth (as measured by something like a custom pre and post survey).
- Growth in positive sentiment from departing visitors as measured by NPS scores.
- Positive local PR coverage.

The messaging around this campaign blends tongue-in-cheek language with moments of sternness where needed. This is less about lecturing and more of showing our pride for our area in a lighthearted manner. Activations are in a variety of shapes and sizes to reach those Getting-In, Getting Around, Restaurants & Retail, and Trails. A few examples that we are evaluating include:

- Catchy signage at high-use trailheads, vacant land along highway 75, town square/Atkinson's, and beyond
- Restaurant & retail takeaways such as coasters, coffee sleeves, bumper stickers and maps
- Chalk messaging on the Wood River Trail
- Sun Valley Property News
- The Mountain Express
- Local Radio
- Mountain Rides Buses

Recent Additions/Activations

- [Local radio spots on KDPI](#)
- [Bus wraps](#)
- [Coasters, coffee sleeves, napkins, & masks](#)
- Buffs, t-shirts & stickers

WORKMAN AND COMPANY

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

Invoice

| | |
|------------|-----------|
| Date | Invoice # |
| 12/22/2021 | |

| |
|--|
| Bill To |
| SUN VALLEY AIR SERVICE BOARD PO BOX 3801 KETCHUM, IDAHO 83340 |

| | | |
|--------|------------|-----------|
| Terms | Due Date | Account # |
| Net 30 | 12/22/2021 | |

| Date | Item | Description | Rate | Amount |
|------------|-----------------|---|-------------------------|-------------------|
| 12/22/2021 | Balance Forward | | | 0.00 |
| | | Audited Financial Statements at September 30, 2021 | | 1,300.00 |
| | | | Total | \$1,300.00 |
| | | | Payments/Credits | |
| Phone # | (208)733-1161 | | | |
| Fax # | (208)733-6100 | | | |
| | | | BALANCE DUE | \$1,300.00 |

ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2022

2022 Voting Rights

| | <u>Total 1% LOT Collected in FY21</u> | <u>Percent of Total LOT Collected</u> | <u>Each City's Percentage of Total LOT Multiplied by 90%</u> | <u>Each City's Voting Rights (add 10% to Hailey's rights)</u> |
|------------|---|---|--|---|
| Ketchum | \$2,401,257 | 71.0% | (.758 x .9) = 68.88% | 63.88% |
| Sun Valley | \$847,745 | 25.1% | (.213 x .9) = 22.55% | 22.55% |
| Hailey | \$134,238 | 4.0% | (.028 x .9) = 3.57% | 13.57% |
| Total | \$3,383,240 | 100.0% | 90.00% | 100.00% |

2021 Voting Rights

| | <u>Total 1% LOT Collected in FY20</u> | <u>Percent of Total LOT Collected</u> | <u>Each City's Percentage of Total LOT Multiplied by 90%</u> | <u>Each City's Voting Rights (add 10% to Hailey's rights)</u> |
|------------|---|---|--|---|
| Ketchum | \$2,161,877 | 75.8% | (.758 x .9) = 68.24% | 68.24% |
| Sun Valley | \$608,188 | 21.3% | (.213 x .9) = 19.20% | 19.20% |
| Hailey | \$81,251 | 2.8% | (.028 x .9) = 2.56% | 12.56% |
| Total | \$2,851,315 | 100.0% | 90.00% | 100.00% |

2020 Voting Rights

| | <u>Total 1% LOT Collected in FY19</u> | <u>Percent of Total LOT Collected</u> | <u>Each City's Percentage of Total LOT Multiplied by 90%</u> | <u>Each City's Voting Rights (add 10% to Hailey's rights)</u> |
|------------|---|---|--|---|
| Ketchum | \$2,227,612 | 72.1% | (.729 x .9) = 64.86% | 64.86% |
| Sun Valley | \$756,721 | 24.5% | (.238 x .9) = 22.03% | 22.03% |
| Hailey | <u>\$106,729</u> | 3.5% | (.033 x .9) = 3.11% | 13.11% |
| Total | \$3,091,062 | 100.0% | 90.00% | 100.00% |

2019 Voting Rights

| | <u>Total 1% LOT Collected in FY18</u> | <u>Percent of Total LOT Collected</u> | <u>Each City's Percentage of Total LOT Multiplied by 90%</u> | <u>Each City's Voting Rights (add 10% to Hailey's rights)</u> |
|------------|---|---|--|---|
| 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 | <u>\$92,967</u> | 3.3% | (.033 x .9) = 2.94% | 12.94% |
| Total | \$2,848,393 | 100.0% | 90.00% | 100.00% |

WORKMAN & COMPANY

Office of
Accounting

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

December 15, 2021

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

We have audited the financial statements of the governmental activities of the Sun Valley Air Service Board, for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Sun Valley Air Service Board, are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Sun Valley Air Service Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

There are no sensitive estimates affecting the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2021.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Budgetary Information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Very truly yours,

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD

BLAINE COUNTY, IDAHO

**Financial Statements
at September 30, 2021**

**SUN VALLEY AIR SERVICE BOARD
BLAINE COUNTY, IDAHO
For the year ended September 30, 2021**

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WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT

December 15, 2021

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, 2021, 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, 2021, 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 15, 2021, 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, 2021

ASSETS

| | | | |
|-------------------------------|----|---------|------------------|
| Cash in Checking | \$ | 125,997 | |
| Cash in LGIP | | 161,947 | |
| Total Cash and Deposits | | | \$ 287,944 |
| Local Option Tax Receivables: | | | |
| City of Sun Valley | | 210,829 | |
| City of Ketchum | | 906,101 | |
| City of Hailey | | 41,006 | |
| Total Tax Receivables | | | 1,157,936 |
| Total Assets | | | 1,445,880 |

LIABILITIES

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

NET POSITION

| | | | |
|--|--|-----------|---------------------|
| Invested in Capital Assets - net of related debt | | 0 | |
| Restricted for Local Aviation Services | | 1,445,880 | |
| Unrestricted | | 0 | |
| Total Net Position | | | \$ 1,445,880 |

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, 2021

Operating Revenues:

Local Option Tax Revenues:

| | |
|--------------------|----------------|
| City of Sun Valley | \$ 847,745 |
| City of Ketchum | 2,401,257 |
| City of Hailey | <u>134,238</u> |

Total Tax Revenues \$ 3,383,240

Interest Income 568

Total Operating Revenue: 3,383,808

Operating Expenses:

| | |
|-------------------------------|-----------|
| Fly Sun Valley Contract | 1,000,000 |
| Sun Valley Marketing Contract | 1,129,000 |
| Professional Fees | 1,761 |
| Insurance | 1,342 |
| Administrative Expenses | <u>0</u> |

Total Operating Expenses 2,132,103

Operating Income 1,251,705

Total Net Position - Beginning 194,175

Total Net Position - Ending \$ 1,445,880

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, 2021

Cash Flows From Operating Activities:

| | | |
|--|--------------|------------|
| Receipts from other governments | \$ 3,042,724 | |
| Payments to suppliers and vendors | (2,752,424) | |
| Other receipts | <u>0</u> | |
| Net cash provided (used) by operations | | \$ 290,300 |

Cash Flows From Capital Related Financing Activities:

| | | |
|---|----------|---|
| Payment of Debts and Interest | <u>0</u> | |
| Net cash provided by capital and related financing activities | | 0 |

Cash Flows From Investing Activities:

| | | |
|---------------------------------------|------------|------------|
| Purchase of Capital Assets | | |
| Interest Income | <u>568</u> | |
| Net cash used by investing activities | | <u>568</u> |

Net Increase (Decrease) in Cash and Equivalents 290,868

Balances - Beginning of the year (2,924)

Balances - Ending of the year \$ 287,944

Displayed as:

| | | |
|-------------------|--|----------------|
| Cash and Deposits | | 125,997 |
| Cash in LGIP | | <u>161,947</u> |

Balances - Ending of the year \$ 287,944

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

| | | |
|--|------------------|--|
| Operating Income | 1,251,705 | |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Net Interest Earnings/Expense | (568) | |
| Change in assets and liabilities: | | |
| Local Option Taxes Receivable | (340,516) | |
| Accounts and Contracts Payable | <u>(620,321)</u> | |

Net Cash Provided (Used) by Operating Activities: \$ 290,300

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Balance Sheet
Governmental Funds
at September 30, 2021

| | <u>General Fund</u> | <u>Total Governmental Funds</u> |
|------------------------------------|-------------------------|---|
| ASSETS: | | |
| Cash and Deposits | \$ 287,944 | \$ 287,944 |
| City of Sun Valley LOT Receivable | 210,829 | 210,829 |
| City of Ketchum LOT Receivable | 906,101 | 906,101 |
| City of Hailey LOT Receivable | <u>41,006</u> | <u>41,006</u> |
| Total Assets | \$ <u>1,445,880</u> | \$ <u>1,445,880</u> |
| LIABILITIES: | | |
| Accounts Payable | \$ 0 | \$ 0 |
| Due To Other Funds | <u>0</u> | <u>0</u> |
| Total Liabilities | <u>0</u> | <u>0</u> |
| FUND BALANCE: | | |
| Non-spendable | 0 | 0 |
| Restricted | 1,445,880 | 1,445,880 |
| Committed | 0 | 0 |
| Assigned | 0 | 0 |
| Unassigned | <u>0</u> | <u>0</u> |
| Total Fund Balance | <u>1,445,880</u> | <u>1,445,880</u> |
| Total Liabilities and Fund Balance | \$ <u>1,445,880</u> | \$ <u>1,445,880</u> |

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, 2021

| | <u>General Fund</u> | <u>Total Governmental Funds</u> |
|---|--------------------------------|---|
| REVENUE: | | |
| Sun Valley 1% Local Option Tax Revenues | \$ 847,745 | \$ 847,745 |
| Ketchum 1% Local Option Tax Revenues | 2,401,257 | 2,401,257 |
| Hailey 1% Local Option Tax Revenues | 134,238 | 134,238 |
| Interest Earned | <u>568</u> | <u>568</u> |
| Total Revenue | <u>3,383,808</u> | <u>3,383,808</u> |
| EXPENDITURES: | | |
| Contracted Services | 2,129,000 | 2,129,000 |
| Administrative Services | | 0 |
| Professional Fees | 1,761 | 1,761 |
| Insurance | <u>1,342</u> | <u>1,342</u> |
| Total Expenditures | <u>2,132,103</u> | <u>2,132,103</u> |
| EXCESS REVENUE (EXPENDITURES) | 1,251,705 | 1,251,705 |
| OTHER FINANCING SOURCES (USES): | | |
| Due (to) from other funds | <u>0</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCES | 1,251,705 | 1,251,705 |
| FUND BALANCE - BEGINNING | <u>194,175</u> | <u>194,175</u> |
| FUND BALANCE - ENDING | <u><u>\$ 1,445,880</u></u> | <u><u>\$ 1,445,880</u></u> |

The accompanying notes are a part of these financial statements.

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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.

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, \$ 0 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 \$ 161,947.

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 | 125,997 |
| State of Idaho Investment Pooled Cash | <u>161,947</u> |
| Total | <u>\$ 287,944</u> |

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Budget Positive (Negative)</u> |
|--|--|---------------------|---|
| REVENUES: | | | |
| City of Hailey 1% Local Option Tax | \$ 34,360 | \$ 134,238 | \$ 99,878 |
| City of Ketchum 1% Local Option Tax | 1,500,000 | 2,401,257 | 901,257 |
| City of Sun Valley 1% Local Option Tax | 598,600 | 847,745 | 249,145 |
| Earnings on investments | 1,040 | 568 | (472) |
| Total revenues | <u>2,134,000</u> | <u>3,383,808</u> | <u>1,249,808</u> |
| EXPENDITURES: | | | |
| Contracts for Services | 2,129,000 | 2,129,000 | 0 |
| Administrative Costs | 954 | | 954 |
| Professional | 2,500 | 1,761 | 739 |
| Insurance | 1,546 | 1,342 | 204 |
| Total expenditures | <u>2,134,000</u> | <u>2,132,103</u> | <u>1,897</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>0</u> | <u>1,251,705</u> | <u>1,251,705</u> |
| FUND BALANCE - BEGINNING | <u>194,175</u> | <u>194,175</u> | |
| FUND BALANCE - ENDING | <u>\$ 194,175</u> | <u>\$ 1,445,880</u> | |

The accompanying notes are a part of these financial statements.

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

**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 15, 2021

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, 2021 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 15, 2021.

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*.

Report Continued—

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