

**AGENDA**  
**SUN VALLEY AIR SERVICE BOARD MEETING**  
SUN VALLEY CITY HALL  
81 ELKHORN ROAD  
SUN VALLEY, ID  
Wednesday, January 27, 2021 - 2:00 PM

**CALL TO ORDER**

**ROLL CALL**

**ELECTION OF OFFICERS FOR 2021** (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 Air Service Board Minutes from December 2, 2020 (Action Item)
2. Receive and File Financials:
  - a. 1% Local Option Tax Report – October and November 2020 (Action Item)

**ACTIONS/DISCUSSIONS/PRESENTATIONS**

3. Authorization for payment of bills on-hand through January 22, 2021 (Action Item)
4. Presentation and approval of FY20 audited financial statements - Workman & Company, CPAs (Action Item)
5. Receive and file Allocation of Voting Rights Report for 2021 (Action Item)

**EXECUTIVE SESSION – IF CALLED**

Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code and Idaho Code § 74-206 (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations (Action Item); to Idaho Code 74-206 (d) to consider trade secrets that are exempt from disclosure as provided in Idaho Code 74-107 (Action Item)

**ADJOURNMENT**

## ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2021

### 2021 Voting Rights

	<b>Total 1% LOT Collected in FY20</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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

	<b>Total 1% LOT Collected in FY19</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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

	<b>Total 1% LOT Collected in FY18</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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%

## ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2021

### 2018 Voting Rights

	<u>Total 1% LOT Collected in FY17</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	\$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	<u>\$93,147</u>	3.5%	(.035 x .9) = 3.13%	13.13%
Total	\$2,676,082	100.0%	90.00%	100.00%

\* Per Joint Powers Agreement, 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.

**SUN VALLEY AIR SERVICE BOARD  
MEETING MINUTES  
December 2, 2020 at 2:00 PM**

**Present:** Neil Bradshaw - Mayor, City of Ketchum  
Peter M. Hendricks – Mayor, City of Sun Valley  
Martha Burke – Mayor, City of Hailey (attended virtually)  
Jacob Greenberg, Blaine County Chairman (attended virtually)

**Absent:** None

**Staff:** Heather Dawson – Administrator, City of Hailey (attended virtually)  
Walt Femling – Administrator, City of Sun Valley  
Jade Riley – Administrator, City of Ketchum  
Grant Gager – Treasurer, City of Ketchum

**CALL TO ORDER**

Mayor Hendricks called the meeting to order at 2:05 PM.

**PUBLIC COMMENT**

None.

**REMARKS FROM THE CHAIR**

None.

**REMARKS FROM THE BOARD**

None.

**CONSENT AGENDA**

**1. Approval of Air Service Board Minutes of September 23, 2020**

**Motion to approve the consent agenda.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Neil Bradshaw, Mayor of Ketchum
<b>SECONDER:</b>	Martha Burke, Mayor of Hailey
<b>AYES:</b>	Bradshaw, Burke, Hendricks

**ACTION/DISCUSSION**

**2. Receive and File Financials:**

**a. 1% Local Option Tax Report – August and September 2020**

Mayor Bradshaw stated that it is worth talking about how we handle revenue shortfalls and how we address them. It should not be automatic to have it come from our reserve funds. Chairman Greenberg asked for clarification on the fund balance and whether a fund balance exists in Visit Sun Valley? Mayor Bradshaw thought it would be good for the two entities (Visit Sun Valley and Fly Sun Valley Alliance) to shed some light on their fund balances. The fund balance for the Air Service Board is around \$250,000.

He explained that under the contract, as it is currently written, we have a budget that we agree to pay but also in the contract, should there be a revenue shortfall, there is no obligation to pay the entire amount.

Carol Waller, Director of the Fly Sun Valley Alliance, was confused on why there is a budget shortfall. Her understanding is that every month the amount available for contracts is split between Fly Sun Valley Alliance and Visit Sun Valley and once the money is collected, it is done. So, if we are short of collections, we are short of receiving those collections – you’re not obligated to pay those amounts in the contract.

Ketchum Director of Finance Grant Gager explained that the cities have taken in almost \$47,000 less in revenue. At the beginning of the fiscal year, we came up with a projected number. Mayor Hendricks explained the process of coming up with the contract amounts at the beginning of the fiscal year and if that projected number is more or less than what we projected, we wait until the last month to adjust everything.

Mayor Hendricks asked the question of do we ask the two entities to make some changes or do we take the budget shortfall out of the fund balance to live up to our projected obligations in the contract that we set a number of months ago? He asked each entity how difficult it would be to make adjustments and Waller explained it wouldn’t be difficult. They have their own fund balance to take care of this shortfall but the invoices in your packets would have to be adjusted.

Chairman Greenberg asked what that the required reserve balance is, to which Gager responded that there is no required fund balance, and the level is at the discretion of the Board to be used to accomplish their future goals and future contractual needs. The balance is approximately \$250,000. Scott Fortner, Executive Director of Visit Sun Valley, mentioned that they have a fund balance of about \$225,000 currently.

Mayor Burke suggested that we share the expense between the three organizations as the shortfall was not due to any budgeting error, but due to COVID circumstances.

Mayor Bradshaw believes we need to set up the process going forward. The question is do we absorb it or split it among the entities? Mayor Hendricks mentioned that as nobody is currently cash strapped, maybe we split it up three ways at this time. Fortner and Waller said they would be ok with splitting it up in that manner. The decision was made to split it approximately \$15,000 for each entity. It sets a precedent on how we will handle these types of situations going forward.

**Motion to pay the final installments to both Fly Sun Valley Alliance and Visit Sun Valley, less the amount of \$15,677.33 to each entity.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Neil Bradshaw, Mayor of Ketchum
<b>SECONDER:</b>	Martha Burke, Mayor of Hailey
<b>AYES:</b>	Bradshaw, Burke, Hendricks

**3. Authorization of payment of bills on-hand through November 27, 2020.**

**Motion to approve the bills on-hand through November 27, 2020.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Neil Bradshaw, Mayor of Ketchum
<b>SECONDER:</b>	Martha Burke, Mayor of Hailey
<b>AYES:</b>	Bradshaw, Burke, Hendricks

**4. Discussion and action regarding Resolution 2020-02 Setting the Sun Valley Air Service Board Meeting Dates for 2021.**

Mayor Bradshaw pointed out a typo and then asked to change one of the meeting dates from May 12, 2021 to May 26, 2021, to which the others agreed.

**Motion to approve Resolution 2020-02 Setting the Sun Valley Air Service Board meeting dates for 2021, as amended.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Neil Bradshaw, Mayor of Ketchum
<b>SECONDER:</b>	Martha Burke, Mayor of Hailey
<b>AYES:</b>	Bradshaw, Burke, Hendricks

**5. Discussion and adoption of Contract Exhibit A – Scope of Services Visit Sun Valley under Sun Valley Marketing Alliance FY2021 Contract**

Hailey City Administrator Heather Dawson mentioned that Exhibit B was adopted at the last meeting but there were some changes that needed to be done to the Scope of Services. Fortner stated that they have since made a few amendments to the contract to reflect current circumstances.

**Motion to Adopt of Contract Exhibit A – Scope of Services Visit Sun Valley under Sun Valley Marketing Alliance FY2021 Contract**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Neil Bradshaw, Mayor of Ketchum
<b>SECONDER:</b>	Martha Burke, Mayor of Hailey
<b>AYES:</b>	Bradshaw, Burke, Hendricks

**ADJOURNMENT**

**Motion to adjourn.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Mayor Bradshaw
<b>SECONDER:</b>	Mayor Burke
<b>AYES:</b>	Bradshaw, Burke, Hendricks

Meeting adjourned at 2:32 PM.

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Peter M. Hendricks, Chair

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Neil Bradshaw, Secretary/Treasurer

1% LOT Received	1% LOT Contribution				Expenses			
	Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	SVASB Administrative Budget	Funds for Contracts	
Dec-20		36,567.37	177,324.51	6,615.97	220,507.85	-6,546.86	-3,025.00	210,935.99
Jan-21		28,030.56	169,956.42	3,111.82	201,098.80	-6,375.14	-75.00	194,648.66
Feb-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Mar-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Apr-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
May-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Jun-21		0.00	0.00	0.00	0.00	-6,222.66	-675.00	-6,897.66
Jul-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Aug-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Sep-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Oct-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
Nov-21		0.00	0.00	0.00	0.00	-6,222.66	-75.00	-6,297.66
<b>Total</b>		64,597.93	347,280.93	9,727.79	421,606.65	(75,148.60)	(4,450.00)	

		Fly SV Alliance				SVMA			
		Budget	1,000,000			Budget	1,129,000		
		Remaining	837,766		84%	Remaining	885,649		78%
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
Dec-20	210,935.99	40%	84,374.40			60%	126,561.59		
Jan-21	194,648.66	40%	77,859.46	162,233.86		60%	116,789.20	243,350.79	
Feb-21	-6,297.66	40%				60%			
Mar-21	-6,297.66	40%				60%			
Apr-21	-6,297.66	40%				60%			
May-21	-6,297.66	40%				60%			
Jun-21	-6,897.66	50%				50%			
Jul-21	-6,297.66	50%				50%			
Aug-21	-6,297.66	50%				50%			
Sep-21	-6,297.66	50%				50%			
Oct-21	-6,297.66	50%				50%			
Nov-21	-6,297.66	50%				50%			
<b>Total</b>			162,233.86	162,233.86			243,350.79	243,350.79	



**SUN VALLEY AIR SERVICE BOARD**

**INVOICES TO BE PAID**

**through January 22, 2021**

Fly Sun Valley Alliance	Invoice #259 - 1% Lot collections October 2020	\$ 84,374.40
Fly Sun Valley Alliance	Invoice #260 – 1% Lot collections for November 2020	77,859.46
Sun Valley Marketing Alliance/ Visit Sun Valley	Invoice #1316 – 1% Lot collections for October 2020	126,561.59
Sun Valley Marketing Alliance/ Visit Sun Valley	Invoice #1317 – 1% Lot collections for November 2020	\$116,789.20
Workman & Company	Invoice for Audited Financial Statements, September 30, 2020	1,100.00
TOTAL		\$406,684.65

Fly Sun Valley Alliance Inc.

PO Box 6316  
Ketchum, ID 83340

# Invoice

Date	Invoice #
10/31/2020	259

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 Collections October 2020 – FSVA Contract Services Dec 2020:	84,374.40	84,374.40
		<b>Total</b>	\$84,374.40

Fly Sun Valley Alliance Inc.

PO Box 6316  
Ketchum, ID 83340

# Invoice

Date	Invoice #
11/30/2020	260

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 Collections November 2020 – FSVA Contract Services Jan 2021	77,859.46	77,859.46
		<b>Total</b>	\$77,859.46



## FSVA CONTRACT SERVICES RENDERED TO SUN VALLEY AIR SERVICE BOARD DECEMBER 2020

### 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 competitive markets
- Finalized FY21 contracts/agreements with airlines. Ongoing review of winter schedules with airport and TSA
- Continued to implement improvements in communications relative to winter diversion busing program
- Continued discussions/data gathering/analysis for update of Strategic Plan
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed
- Participated in Idaho Legislative Interim Air Service Committee meetings
- Worked with VSV and other partners on air service marketing efforts, promotional air voucher management

#### LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created and distributed 2020/21 winter air service schedule updates via email, social, website
- 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 FMAA monthly meeting, other community/stakeholder meetings to continue information outreach
- Participated in Blaine Economic Business Recovery Committee, and other business group virtual meetings
- Provided information regarding air service to inquiries from local and other travelers

#### RESEARCH/OTHER

- Finalized and implemented winter online air passenger survey at SUN via airport wifi
- Continued work on compiling/tracking relevant news and comparative data and information on air service



## FSVA CONTRACT SERVICES RENDERED TO SUN VALLEY AIR SERVICE BOARD

**JANUARY 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 and competitive markets
- Ongoing review/updates of winter schedules with airlines and airport
- Continued to oversee, monitor, track winter diversion busing program
- Continued discussions/data gathering/analysis for update of Strategic Plan
- Ongoing communication & meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed
- Participated in Idaho Legislative Interim Air Service Committee meetings
- Worked with VSV and other partners on air service marketing efforts, promotional air voucher management

#### **LOCAL AIR MARKETING/COMMUNITY OUTREACH**

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created and distributed updated 2020/21 winter air service schedule updates via email, social, website
- 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*)
- Held FSVA overview meeting with new FMAA board member/Hailey City council member Sam Linnet
- Attended FMAA monthly meeting, other community/stakeholder meetings to continue information outreach
- Participated in Blaine Economic Business Recovery Committee, and other business group virtual meetings
- Provided information regarding air service to inquiries from local and other travelers

#### **RESEARCH/OTHER**

- Continued implementation of winter online air passenger survey at SUN, reviewed data weekly
- Continued work on compiling/tracking relevant news and comparative data and information on air service

Visit Sun Valley  
PO Box 4934  
Ketchum, ID 83340 US  
208-726-3423  
Aly@visitsunvalley.com  
www.visitsunvalley.com

# Invoice

# VISIT SUN VALLEY

**BILL TO**

Air Service Board  
PO Box 3801  
Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1316	01/27/2021	\$126,561.59	02/26/2021	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing - October 2020	1	126,561.59	126,561.59

BALANCE DUE

**\$126,561.59**

Visit Sun Valley  
PO Box 4934  
Ketchum, ID 83340 US  
208-726-3423  
Aly@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
1317	01/27/2021	\$116,789.20	02/26/2021	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing November 2020	1	116,789.20	116,789.20

BALANCE DUE

**\$116,789.20**

# VISIT SUN VALLEY

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

## Sun Valley Air Service Board December 2020 Operational Highlights | September - November

### Executive Summary

Fall seemed to come and go in the blink of an eye. One minute we were basking in the warm temperatures and golden hues only to be abruptly greeted with a healthy accumulation of snow and wintry temperatures. The fall months continued to write new momentous chapters in 2020 history with an election cycle and the continued ebb and flow of the impacts felt by COVID-19. We slowly seem to be evolving with the changing times.

From a tourism perspective, fall indicators pointed towards increased confidence in travelers visiting Sun Valley. Despite the lack of group business, lodging occupancies, enplanements, and tax collections (+19% for September) all gained ground lost over the summer months. Pending any significant spikes in COVID-19 cases or government closures, we anticipate the increase in travel demand to maintain its upward trajectory.

The current state of affairs continues to make travel sentiment a bit of a moving target. Travelers are looking for friendly cancellation policies, health & safety assurances. We will likely see shorter term booking windows and last-minute cancellations as the various health and safety variables fluctuate.

We remain watchful and nimble in our efforts to safely invite visitors to the area this winter. Our role as educators and destination managers prevails at the forefront of our efforts as we embrace winter head-on. Marketing and advertising efforts will leverage our incredible access to the outdoors in the form of backcountry & Nordic skiing, snowshoeing, downhill skiing on SKI Magazine's #1 ranked mountain, and beyond. EPIC pass holders, past guests, friends & families especially those in our nonstop flight markets will be our main target audiences. Last but not least, informing guests of the best health & safety practices as well as how to be a responsible traveler and recreator will leverage the ongoing [Mindfulness in the Mountains](#) campaign. We are up to meet the ongoing challenges that this moment in time has presented us with and we look forward to adapting to the changes.

MEASURING OUR PERFORMANCE

## VISIT SUN VALLEY TOURISM INDICATORS



### FACEBOOK FOLLOWERS

↑ +246

Sept - Nov | Net Followers Gained



### INSTAGRAM FOLLOWERS

↑ +900

Sept - Nov | Net Followers Gained



### ORGANIC SEARCH

↑ +22%

Sept - Nov | Sessions YOY



### LOT COLLECTION

↑ +19%

Sept | All Ketchum Receipts | YOY



### AVERAGE DAILY RATE

↑ +5%

Sept - Oct | YOY



### ROOM NIGHTS SOLD

↓ -8%

Sept - Oct | YOY



### ENPLANEMENTS

↓ -58%

Sept - Oct | YOY



### NET PROMOTER SCORE

96%

Current



### TRAFFIC COUNTS

↑ +42%

Sept - Oct | YOY



# VISIT SUN VALLEY

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## DestiMetrics Occupancy Reports:

- September
  - Occupancy – paid: 45.5% v. 46% in 2019 = **-1%**
  - Room Nights:
    - Available: 19,882 v. 20,548 in 2019 = **-3.2%**
    - Sold: 9,114 v. 9,534 in 2019 = **-4.4%**
  - ADR: \$236 v. \$231 in 2019 = **2%**
- October
  - Occupancy – paid: 35% v. 38% in 2019 = **-9%**
  - Room Nights:
    - Available: 20,764 v. 21,291 in 2019 = **-2.5%**
    - Sold: 7,208 v. 8,143 in 2019 = **-11.5%**
  - ADR: \$192 v. \$177 in 2019 = **9%**
- 9 properties reporting

## Social Media

Cody Richmond continues to learn and implement the ever-evolving changes with the platform algorithms. He fields incoming questions, crafts blogs and manages our weekly newsletter.

Many of the social media platforms underwent a house-cleaning of inactive or fake users this fall. As a result, our follower numbers fell behind previous months. It will ultimately provide better and more qualified engagement to those that truly care about what we are doing.

## More Touchpoints

- [Facebook](#) followers: September; **+7** October; **-11** November **+250**
- [Instagram](#) followers: **300** gained since August
- [Website](#): September - November 2020 sessions to visitsunvalley.com were down **-20%** compared to the same period last year. This was due to less site-driven paid advertising for the fall months. Our session duration or time on site was up **+35%** Our organic search traffic is up **+22%**.
- TripAdvisor once again changed their packaging now requiring a \$50,000 minimum for their destination sponsorship. We decided to forego this partnership for the time being.
- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- [Internally composed and distributed a variety of blog pieces including:](#)
  - [24hrs in Sun Valley – December – Scott Savage – Sawtooth Avalanche Center](#)
  - [Eating Local: Tips on finding locally grown meals in Sun Valley](#)
  - [24hrs in Sun Valley – November – Dev Khalsa - Photographer](#)
  - [Sun Valley: Endless Options for Every Idaho Road Trip](#)
  - [24hrs in Sun Valley – October – Terry Ring – Silver Creek Outfitters](#)
  - [Most Instagrammable places in Sun Valley, Idaho](#)

# VISIT SUN VALLEY

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

## Marketing & Advertising

Our 2020 fall advertising campaign has come to an end. We were pleased to partner with Matador Network and Airstream that highlighted a road trip by former pro skier Kina Picket and his family to the area. Due to pandemic and weather issues, much of the content will be saved for a fall 2021 rollout. We limited our social advertising to avoid the competitive political election space.

This winter we are leaning on the concept of “Nowhere is Everything” based off of the creative ideation from Two Things. Sun Valley is blessed with the dichotomies that many travelers are currently seeking. Think, “less traffic, more open spaces”, “fewer lift lines, more skiing”, “minimal screens, maximum connections”, etc.

We are slowly rolling out our winter efforts as we monitor the impacts of COVID-19 on the travel space and settling dust from the recent elections.

We have a series of content captured last winter that will take flight in December and January. Partnerships include video efforts with [Matador Network](#), [Teton Gravity Research](#) and [Information Matrix](#). Our remaining media plan is all but booked at this stage. Additional outlets include Connected TV platforms (Hulu & Digilant), YouTube, Facebook, Instagram, TripAdvisor & OpenSnow.

We will continue to monitor travel restrictions, local health impacts and overall traveler sentiment. This season is less about attracting new visitors and more focused around engaging those that are familiar with us. Our role continues to shift to one that inform those who do visit us to be respectful and knowledgeable about the safety, cultural, and recreational expectations that Sun Valley embodies.

## PR

PR has been a major component of our current efforts amidst the COVID-19 pandemic. We have worked closely with our PR firm, Fahlgren-Mortine, where appropriate to help guide local stakeholders on addressing the incoming media inquiries. Remote journalist inquiries have begun to build. In-person journalist hosting demand continues to be weak.

Our fall messaging relied heavily on engaging the drive markets, the open spaces/outdoor recreation, road trips, wellness and Dark Skies opportunities. Winter messages focus on the Bald Mountain terrain expansion, Epic Pass partnership, backcountry & Nordic skiing, and safe traveling/visiting.

## More Touchpoints

- Sun Valley Mentions & Features
  - [SKI Magazine](#) | #1 Ranking: Sun Valley Combines Exciting Slopes with the Down-to-Earth Town of Ketchum
  - [Men's Journal](#) | We Ranked the Best Epic and Ikon Pass Resorts to Visit This Year
  - [USA Today](#) | Best On-Mountain Dining: Roundhouse
  - [Restoration Hardware](#) | Sun Valley Collection
  - [Afar](#) | The Best Ski Resorts in the United States
  - [Vogue](#) | Mid-Pandemic, Ski Towns Are Seeing a New Influx of Year-Round Residents
  - [KIVI \(Boise ABC Network\)](#) | Iconic Ketchum Restaurant Installs COVID-19 Precautions Prior to Tourism Season
  - [Cross Country Skier](#) | Destination: Sun Valley, Idaho

# VISIT SUN VALLEY

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

- [MSN Travel](#) | Holiday Road Trips You Can Still Take Amid Coronavirus
- [Visit Idaho](#) | 3 Weekend Road Trips to Take this Fall
- [Lonely Planet](#) | 5 US Ski Towns for People Who Hate Skiing
- [Indagare](#) | The 9 Best Places to Ski in the US
- [Budget Travel](#) | Best Spots for Fall Foliage Out West
- [The Savvy Globetrotter](#) | The Best Road Trips in the USA for Your Bucket List
- [Greatist](#) | The 36 Best Places to Pitch a Tent in the US
- [CBS Online](#) | Astrophotography: Stunning Images of Idaho's Night Sky
- [CBS Morning News](#) | A Closeup View of the Night Sky
- [Travel + Leisure](#) | 10 Best Fall Vacations for Foliage Views, Fewer Crowds, and Stunning Scenery
- [SKI Magazine](#) | When Sketchy Met Shaky
- [Trips to Discover](#) | 11 Best Stops on an Epic Idaho Road Trip
- [Unofficial Networks](#) | 3 Major American Ski Resorts to Avoid the Crowds
- [AAA Magazine](#) | 11 Outdoor Destinations for Art Lovers
- [Embracing Detours](#) | Sun Valley, ID – RV Living

## Sun Valley Economic Summit

This was the first year that we teamed up with Sun Valley Economic Development and the Wood River Chamber to deliver a joint Economic Summit. This three-day event combined our semi-annual community meeting with several workshops and panels in a virtual format. Topics included winter recreation, stewardship & mindfulness, operational safety, maximizing the dollar of the guest, and digital trends. Attendance reached upwards of 120 viewers and overall sentiments towards the event were positive.

If you missed any of the events from the week, they can be viewed here:

- [Visit Sun Valley Presentation](#) (1 hr 30 mins)
- [REC-reation This Winter: COVID Recreates Outdoor Recreation](#) (2hrs 18 mins)
- [Stewardship & Mindfulness in Town & the Backcountry | Workshop 1](#) (1 hr)
- [COVID Operational Safety Systems: Innovations for Community Health and Safety](#) (1 hr 40 mins)
- [Maximizing the Dollar Value of the Guest - Workshop 2](#) (50 mins)
- [Digital Trends for Your Business - Workshop 3](#) (30 mins)

## Visitor Center

- Went back to remote operations on Sunday, October 18th (physically unmanned, brochures stored, space roped off)
- Officially laid off furloughed staff members
- Kami Miller (Visitor Center Manager) left, last day was November 20, 2020
  - Visitor calls, emails and chat submissions being monitored by Aly
- Kami distributed 100 Mindfulness in the Mountains posters to businesses (winter version)
- Visitors
  - September | 934 visitors (up from 923 in August); 89 calls answered (down from 95 in August)
  - October | 376 visitors; 134 calls; 35 emails
  - November | 0 visitors; 162 calls; 39 emails

# VISIT SUN VALLEY

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- Attended Meetings
  - Lodging Association Meeting – bi-weekly
  - 'Long Term Recovery Committee' Meetings – weekly
  - Fly Sun Valley Alliance Board Meetings - bi-monthly
  - Air Service Board Meetings - bi-monthly
  - Sun Valley Economic Development Board Meetings
  - "Local Business Mastermind" recovery group – weekly
  - DestiMetrics DMO Roundtables – weekly
  - ICORT (virtual workshops this year)
  - SNRA clean-up/VSV team volunteer day - September 29
  - Visit Sun Valley Strategic Session - October 15
  - Wood River Tourism Coalition - November 5
  - Visit Sun Valley Community Meeting/Economic Summit - November 9-11
  - ITD streets/plowing meeting - December 3
  - Upcoming:
    - Visit Sun Valley Advisory Committee - December 15
    - Outdoor Recreation group (#3) - December 16
    - Annual Report (2019.2020)
    - SVED Board Retreat

# WORKMAN AND COMPANY

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

## Invoice

Date	Invoice #
1/6/2021	

Bill To

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

*01 490 4000*

Terms	Due Date	Account #
Net 30	1/6/2021	

Date	Item	Description	Rate	Amount
1/6/2021	Balance Forward			0.00
		Audited Financial Statements at September 30, 2020		1,100.00
			<b>Total</b>	<b>\$1,100.00</b>

<b>Payments/Credits</b>	
<b>BALANCE DUE</b>	<b>\$1,100.00</b>

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

**SUN VALLEY AIR SERVICE BOARD**

**BLAINE COUNTY, IDAHO**

**Financial Statements  
at September 30, 2020**

**SUN VALLEY AIR SERVICE BOARD  
BLAINE COUNTY, IDAHO  
For the year ended September 30, 2020**

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# WORKMAN & COMPANY

Office of  
Accounting

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

## INDEPENDENT AUDITOR'S REPORT

January 6, 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, 2020 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, 2020, 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 January 6, 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, 2020**

**ASSETS**

Cash in Checking	\$	0	
Cash in LGIP		211,379	
Total Cash and Deposits			\$ 211,379
Local Option Tax Receivables:			
City of Sun Valley		137,228	
City of Ketchum		661,295	
City of Hailey		18,897	
Total Tax Receivables			817,420
<b>Total Assets</b>			<b>1,028,799</b>

**LIABILITIES**

Cash in Checking Deficit			214,303
Accrued Contracts Payable:			
Fly Sun Valley		277,258	
Sun Valley Marketing		343,063	
Total Contracts Payable			620,321
Other Accounts Payable			0
<b>Total Liabilities</b>			<b>834,624</b>

**NET POSITION**

Invested in Capital Assets - net of related debt		0	
Restricted for Local Aviation Services		194,175	
Unrestricted		0	
<b>Total Net Position</b>			<b>\$ 194,175</b>

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, 2020**

**Operating Revenues:**

Local Option Tax Revenues:

City of Sun Valley \$ 608,190

City of Ketchum 2,161,876

City of Hailey 81,251

Total Tax Revenues \$ 2,851,317

Interest Income 3,818

Total Operating Revenue: 2,855,135

**Operating Expenses:**

Fly Sun Valley Contract 1,384,322

Sun Valley Marketing Contract 1,754,323

Professional Fees 2,860

Insurance 1,546

Administrative Expenses 388

Total Operating Expenses 3,143,439

**Operating Income** (288,304)

**Total Net Position - Beginning** 482,479

**Total Net Position - Ending** \$ 194,175

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, 2020**

**Cash Flows From Operating Activities:**

Receipts from other governments	\$ 2,893,590	
Payments to suppliers and vendors	(3,258,586)	
Other receipts	<u>0</u>	
Net cash provided (used) by operations		\$ (364,996)

**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>3,818</u>	
Net cash used by investing activities		<u>3,818</u>

**Net Increase (Decrease) in Cash and Equivalents** (361,178)

**Balances - Beginning of the year** 358,254

**Balances - Ending of the year** \$ (2,924)

Displayed as:

Cash and Deposits		(214,303)
Cash in LGIP		<u>211,379</u>

**Balances - Ending of the year** \$ (2,924)

**Reconciliation of Operating Income to Net Cash**

**Provided (Used) by Operating Activities:**

Operating Income	(288,304)	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Net Interest Earnings/Expense	(3,818)	
Change in assets and liabilities:		
Local Option Taxes Receivable	42,273	
Accounts and Contracts Payable	<u>(115,147)</u>	

**Net Cash Provided (Used) by Operating Activities:** \$ (364,996)

The accompanying notes are a part of these financial statements.

**SUN VALLEY AIR SERVICE BOARD**  
**Balance Sheet**  
**Governmental Funds**  
**at September 30, 2020**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>		
Cash and Deposits	\$ 211,379	\$ 211,379
City of Sun Valley LOT Receivable	137,228	137,228
City of Ketchum LOT Receivable	661,295	661,295
City of Hailey LOT Receivable	<u>18,897</u>	<u>18,897</u>
 Total Assets	 \$ <u>1,028,799</u>	 \$ <u>1,028,799</u>
<b>LIABILITIES:</b>		
Cash in Checking Deficit	\$ 214,303	\$ 214,303
Accounts Payable	620,321	620,321
Due To Other Funds	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>834,624</u>	 <u>834,624</u>
<b>FUND BALANCE:</b>		
Non-spendable	0	0
Restricted	194,175	194,175
Committed	0	0
Assigned	0	0
Unassigned	<u>0</u>	<u>0</u>
 Total Fund Balance	 <u>194,175</u>	 <u>194,175</u>
 Total Liabilities and Fund Balance	 \$ <u>1,028,799</u>	 \$ <u>1,028,799</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, 2020**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUE:</b>		
Sun Valley 1% Local Option Tax Revenues	\$ 608,190	\$ 608,190
Ketchum 1% Local Option Tax Revenues	2,161,876	2,161,876
Hailey 1% Local Option Tax Revenues	81,251	81,251
Interest Earned	<u>3,818</u>	<u>3,818</u>
 Total Revenue	 <u>2,855,135</u>	 <u>2,855,135</u>
<b>EXPENDITURES:</b>		
Contracted Services	3,138,645	3,138,645
Administrative Services	388	388
Professional Fees	2,860	2,860
Insurance	<u>1,546</u>	<u>1,546</u>
 Total Expenditures	 <u>3,143,439</u>	 <u>3,143,439</u>
<b>EXCESS REVENUE (EXPENDITURES)</b>	<b>(288,304)</b>	<b>(288,304)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Due (to) from other funds	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(288,304)</b>	<b>(288,304)</b>
<b>FUND BALANCE - BEGINNING</b>	<b><u>482,479</u></b>	<b><u>482,479</u></b>
<b>FUND BALANCE - ENDING</b>	<b><u>\$ 194,175</u></b>	<b><u>\$ 194,175</u></b>

The accompanying notes are a part of these financial statements.

**SUN VALLEY AIR SERVICE BOARD  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**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, 2020**

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     \$ 211,379.

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 deficit	( 214,303)
State of Idaho Investment Pooled Cash	<u>211,379</u>
Total	<u>\$ ( 2,924)</u>



**SUN VALLEY AIR SERVICE BOARD  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

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, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>REVENUES:</b>			
City of Hailey 1% Local Option Tax	\$ 96,051	\$ 81,251	\$ (14,800)
City of Ketchum 1% Local Option Tax	2,155,589	2,161,876	6,287
City of Sun Valley 1% Local Option Tax	645,707	608,190	(37,517)
Earnings on investments	1,000	3,818	2,818
Total revenues	<u>2,898,347</u>	<u>2,855,135</u>	<u>(43,212)</u>
<b>EXPENDITURES:</b>			
Contracts for Services	3,170,000	3,138,645	31,355
Administrative Costs	900	388	512
Professional	2,100	2,860	(760)
Insurance	1,450	1,546	(96)
Total expenditures	<u>3,174,450</u>	<u>3,143,439</u>	<u>31,011</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(276,103)</u>	<u>(288,304)</u>	<u>(12,201)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>482,479</u>	<u>482,479</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 206,376</u>	<u>\$ 194,175</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**

January 6, 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, 2020 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 January 6, 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

## ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2021

### 2021 Voting Rights

	<b>Total 1% LOT Collected in FY20</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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

	<b>Total 1% LOT Collected in FY19</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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

	<b>Total 1% LOT Collected in FY18</b>	<b>Percent of Total LOT Collected</b>	<b>Each City's Percentage of Total LOT Multiplied by 90%</b>	<b>Each City's Voting Rights (add 10% to Hailey's rights)</b>
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%

## ALLOCATION OF SUN VALLEY AIR SERVICE BOARD VOTING RIGHTS - 2021

### 2018 Voting Rights

	<u>Total 1% LOT Collected in FY17</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	\$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	<u>\$93,147</u>	3.5%	(.035 x .9) = 3.13%	13.13%
Total	\$2,676,082	100.0%	90.00%	100.00%

\* Per Joint Powers Agreement, 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.