

**AGENDA**  
**SUN VALLEY AIR SERVICE BOARD MEETING**  
**HAILEY CITY HALL**  
**115 MAIN STREET SOUTH**  
**HAILEY, ID**  
**July 25, 2018 - 2:00 P.M.**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

**REMARKS FROM THE CHAIR**

**REMARKS FROM THE BOARD**

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

1. Approval of Air Service Board Minutes of June 20, 2018\*;
2. Receive and File Financials:
  - a. 1% Local Option Tax Report – April 2018\*;
  - b. 1% Local Option Tax Report – May 2018\*;

**PUBLIC HEARINGS**

3. Consideration and adoption of the proposed Sun Valley Air Service Board Budget for FY 2019 for the expenditure of Local Option Tax (LOT) revenues received by the Sun Valley Air Service Board for taxes payable from the period of 10/1/18 through 9/30/19\*;

**ACTION/DISCUSSION**

4. Discussion and action regarding a proposal for auditing services for Fiscal Year 2018\*;
5. Authorization for Payment of Bills on-hand through July 17, 2018\*;

**PRESENTATIONS**

6. Sun Valley Marketing Alliance, Semi-Annual Report and Budget Request, Scott Fortner;
7. Fly Sun Valley Alliance, Semi-Annual Report and Budget Request, Carol Waller;

**EXECUTIVE SESSION** – Pursuant to Idaho Code 74-206 (d) to consider trade secrets that are exempt from disclosure as provided in Idaho Code 74-107\*;

**ADJOURNMENT\***

\*Indicates an Action Item as required by Idaho House Bill 611

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

**SUN VALLEY AIR SERVICE BOARD  
MEETING MINUTES  
June 20, 2018**

**Present:** Neil Bradshaw - Mayor, City of Ketchum  
Fritz Haemmerle – Mayor, City of Hailey  
Peter Hendricks – Mayor, City of Sun Valley

**Absent:** Larry Schoen – Blaine County Commissioner

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

**CALL TO ORDER**

Mayor Fritz Haemmerle called the meeting to order at 2:00 pm

**ROLL CALL**

Larry Schoen Blaine County Commissioner – absent

**PLEDGE OF ALLEGIANCE**

Mayor Peter Hendricks led the pledge of allegiance

**PUBLIC COMMENT**

none

**REMARKS FROM THE CHAIR**

none

**REMARKS FROM THE BOARD**

none

**CONSENT AGENDA**

**1. Approval of Air Service Board Minutes of May 30, 2018**

**Motion to approve the Consent Agenda**

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

**2. Executive Session – Pursuant to Idaho Code §74-206 (1) (d) to consider records that are exempt from disclosure and Idaho Code §74-206 (1) (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.**

**Motion to go into Executive Session at 2:02 pm**

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

**Motion to come out of Executive Session at 2:53 pm**

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

**3. Adjournment**

Motion to adjourn at 2:53 pm

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

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Fritz Haemmerle, Chair

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Neil Bradshaw, Secretary/Treasurer

**SUN VALLEY AIR SERVICE BOARD  
1% LOCAL OPTION TAX REPORT  
APRIL 2018**

1% LOT Generated	1% LOT Received	1% LOT Contribution				Expenses		Funds for Contracts
		Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	SVASB Administrative Budget	
Fund Balance								
Oct-17	Dec-17	28,376.50	131,270.25	4,387.28	164,034.03	-6,292.22	-2,893.00	154,848.81
Nov-17	Jan-18	24,640.11	123,216.81	4,585.85	152,442.77	-6,297.76	-83.00	146,062.01
Dec-17	Feb-18	67,476.35	290,166.67	7,352.25	364,995.26	-6,375.22	-83.00	358,537.04
Jan-18	Mar-18	48,599.90	170,447.49	10,571.74	229,619.13	-6,465.37	-83.00	223,070.76
Feb-18	Apr-18	58,389.71	184,628.72	8,506.92	251,525.35	-6,407.55	-83.00	245,034.80
Mar-18	May-18	51,634.28	186,405.56	7,176.96	245,216.80	-6,370.31	-83.00	238,763.49
Apr-18	Jun-18	25,813.85	95,220.73	3,030.72	124,065.30	-6,254.22	-583.00	117,228.08
May-18	Jul-18						-83.00	
Jun-18	Aug-18						-83.00	
Jul-18	Sep-18						-83.00	
Aug-18	Oct-18						-83.00	
Sep-18	Nov-18						-15,083.00	
<b>Total</b>		<b>304,930.70</b>	<b>1,181,356.22</b>	<b>45,611.71</b>	<b>1,531,898.64</b>	<b>(44,462.65)</b>	<b>(19,306.00)</b>	

1% LOT Generated	1% LOT Received	Funds for Contracts	Fly SV Alliance				SVMA			
			% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds
			<b>Budget</b> 1,268,849				<b>Budget</b> 1,300,000			
			<b>Remaining</b> 1,043,338 82%				<b>Remaining</b> 326,759 25%			
Fund Balance										
Oct-17	Dec-17	154,848.81	20%	30,969.76		30,969.76	80%	123,879.05		123,879.05
Nov-17	Jan-18	146,062.01	20%	29,212.40	59,982.16	200.00	80%	116,849.61	239,928.66	799.99
Dec-17	Feb-18	358,537.04	20%	71,707.41		71,907.41	80%	286,829.63		287,629.63
Jan-18	Mar-18	223,070.76	20%	44,614.15	116,521.56	0.00	80%	178,456.61	466,086.24	0.00
Feb-18	Apr-18	245,034.80	20%	49,006.96		49,006.96	80%	196,027.84		196,027.84
Mar-18	May-18	238,763.49	80%	191,010.79	240,017.75	0.00	20%	47,752.70	243,780.54	0.00
Apr-18	Jun-18	117,228.08	80%	93,782.46		93,782.47	20%	23,445.62		23,445.62
May-18	Jul-18		80%				20%			
Jun-18	Aug-18		80%				20%			
Jul-18	Sep-18		80%				20%			
Aug-18	Oct-18		80%				20%			
Sep-18	Nov-18		Bal of Cont				Bal of Cont			
<b>Total</b>				<b>225,510.68</b>				<b>973,241.06</b>		

**SUN VALLEY AIR SERVICE BOARD**  
**1% LOCAL OPTION TAX REPORT**  
**MAY 2018**

1% LOT Generated	1% LOT Received	1% LOT Contribution				Expenses		Funds for Contracts
		Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	SVASB Adminisitrative Budget	
Fund Balance								
Oct-17	Dec-17	28,376.50	131,270.25	4,387.28	164,034.03	-6,292.22	-2,893.00	154,848.81
Nov-17	Jan-18	24,640.11	123,216.81	4,585.85	152,442.77	-6,297.76	-83.00	146,062.01
Dec-17	Feb-18	67,476.35	290,166.67	7,352.25	364,995.26	-6,375.22	-83.00	358,537.04
Jan-18	Mar-18	48,599.90	170,447.49	10,571.74	229,619.13	-6,465.37	-83.00	223,070.76
Feb-18	Apr-18	58,389.71	184,628.72	8,506.92	251,525.35	-6,407.55	-83.00	245,034.80
Mar-18	May-18	51,634.28	186,405.56	7,176.96	245,216.80	-6,370.31	-83.00	238,763.49
Apr-18	Jun-18	25,813.85	95,220.73	3,030.72	124,065.30	-6,254.22	-583.00	117,228.08
May-18	Jul-18	35,479.56	113,031.39	3,003.10	151,514.05	-6,253.45	-83.00	145,177.60
Jun-18	Aug-18						-83.00	
Jul-18	Sep-18						-83.00	
Aug-18	Oct-18						-83.00	
Sep-18	Nov-18						-15,083.00	
<b>Total</b>		<b>340,410.26</b>	<b>1,294,387.62</b>	<b>48,614.81</b>	<b>1,683,412.69</b>	<b>(50,716.10)</b>	<b>(19,306.00)</b>	

			Fly SV Alliance				SVMA			
			Budget	1,268,849			Budget	1,300,000		
			Remaining	1,043,338	82%	Remaining	297,723	23%		
1% LOT Generated	1% LOT Received	Funds for Contracts	% of Available Funds				% of Available Funds			
			Owed	Funds for Contract	Invoiced Amount	Available Funds	Owed	Funds for Contract	Invoiced Amount	Available Funds
Fund Balance										
Oct-17	Dec-17	154,848.81	20%	30,969.76		30,969.76	80%	123,879.05		123,879.05
Nov-17	Jan-18	146,062.01	20%	29,212.40	59,982.16	200.00	80%	116,849.61	239,928.66	799.99
Dec-17	Feb-18	358,537.04	20%	71,707.41		71,907.41	80%	286,829.63		287,629.63
Jan-18	Mar-18	223,070.76	20%	44,614.15	116,521.56	0.00	80%	178,456.61	466,086.24	0.00
Feb-18	Apr-18	245,034.80	20%	49,006.96		49,006.96	80%	196,027.84		196,027.84
Mar-18	May-18	238,763.49	80%	191,010.79	240,017.75	0.00	20%	47,752.70	243,780.54	0.00
Apr-18	Jun-18	117,228.08	80%	93,782.46		93,782.47	20%	23,445.62		23,445.62
May-18	Jul-18	145,177.60	80%	116,142.08		209,924.55	20%	29,035.52		52,481.14
Jun-18	Aug-18		80%				20%			
Jul-18	Sep-18		80%				20%			
Aug-18	Oct-18		80%				20%			
Sep-18	Nov-18									
<b>Total</b>				<b>225,510.68</b>				<b>1,002,276.58</b>		

## SUN VALLEY AIR SERVICE BOARD FY 2019 PROPOSED BUDGET

	<u>FY 2016</u> <u>ACTUAL</u>	<u>FY 2017</u> <u>ACTUAL</u>	<u>FY 2018</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>FY 2018</u> <u>ESTIMATED</u> <u>ACTUAL</u>	<u>FY 2019</u> <u>PROPOSED</u> <u>BUDGET</u>	<u>+/-</u> <u>FY 2018/2019</u>	<u>% CHANGE</u> <u>FY 2018/2019</u>
<b>REVENUES</b>							
CITY OF HAILEY 1% LOCAL OPTION TAX	84,796	93,147	90,500	87,751	93,312	2,812	3.1%
CITY OF KETCHUM 1% LOCAL OPTION TAX	1,843,913	1,980,091	1,986,729	2,025,079	2,066,715	79,986	4.0%
CITY OF SUN VALLEY 1% LOCAL OPTION TAX	572,322	602,844	510,630	609,648	625,829	115,199	22.6%
INTEREST EARNINGS	517	687	300	700	500	200	66.7%
FUND BALANCE APPLIED	0	0	0	0	207,994	207,994	n/a
<u>TOTAL REVENUE</u>	2,501,548	2,676,769	2,588,159	2,723,178	2,994,350	406,191	15.7%
<b>EXPENDITURES</b>							
CONTRACTS FOR SERVICES	2,458,397	3,005,750	2,568,849	2,568,849	2,990,000	421,151	16.4%
OFFICE SUPPLIES/POSTAGE	48	54	400	100	300	(100)	-25.0%
ADVERTISING/PUBLIC NOTICES/WEBSITE	477	338	600	500	600	0	0.0%
AUDIT	975	995	1,100	1,100	1,100	0	0.0%
ATTORNEY FEES	450	0	1,000	1,225	1,000	0	0.0%
INSURANCE	1,144	1,201	1,210	1,201	1,350	140	11.6%
TRANSFER TO FUND BALANCE	0	0	15,000	0	0	(15,000)	n/a
<u>TOTAL EXPENDITURES</u>	2,461,491	3,008,338	2,588,159	2,572,975	2,994,350	406,191	15.7%
BEGINNING FUND BALANCE	406,290	446,347		114,778	264,981		
ENDING FUND BALANCE	446,347	114,778		264,981	56,987		



828 Blue Lakes Boulevard North • P.O. Box 2367 • Twin Falls, Idaho 83303 • (208) 733-1161 • Fax: (208) 733-6100

We are very pleased to announce the changes we have made to our firm over the past few months. Please understand that we have not changed any personnel or services. We continue to provide a full range of audit and accounting services. The changes we have made are as follows:

1. We are now operating under the name of Workman and Company.
2. Brady Workman is the owner/partner.
3. Dennis R Brown is the audit manager.
4. Our new physical address is 2190 Village Park Ave, Suite 300, Twin Falls, Id. 83301.

Our post office box address continues to be PO Box 2367, Twin Falls, Id. 83303. Our phone and fax numbers are the same.

Our e-mail addresses are the same but will be updated in the next few months. We will continue to receive mail at all our current addresses.

We pledge to continue to provide you with all the services you have been enjoying over the past many years.

If you have any questions, please call us during our normal business hours. (8:30 – 5:00 Monday-Friday)

Brady Workman  
Dennis Brown

# WORKMAN & COMPANY

Offices of Accounting

2190 Village Park Ave, Suite 300 – P.O. Box 2367 – Twin Falls, Idaho 83301 – (208)733-1161

June 25, 2018

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

Dear Grant,

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

1. We will audit the Board's financial statements for the year ended September 30, 2018.
2. Our fee for this work will not exceed \$ 1,100 (unless additional work is necessary which would be negotiated.)
3. We will begin our audit services approximately December 13 and issue our report by January 31, 2019.

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

Sincerely yours,

*Workman & Company*

Certified Public Accountants



# WORKMAN & COMPANY

## Offices of Accounting

2190 Village Park Ave, Suite 300 – P.O. Box 2367 – Twin Falls, Idaho 83301 – (208)733-1161

June 25, 2018

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

We are pleased to confirm our understanding of the services we are to provide the Sun Valley Air Service Board (Board) for the year ended September 30, 2018. We will audit the financial statements of the governmental activities including the related notes to the financial statements, which collectively comprise the basic financial statements of the Sun Valley Air Service Board as of and for the year ended September 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Board's basic financial statements. The Board has determined not to include this MD&A as part of its financial statements. Such other RSI, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Board's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis (Not Included)
- 2) Budgetary Information

### **Audit Objectives**

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

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Board is subject to an audit requirement that is

not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

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

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

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

#### **Audit Procedures—Internal Control**

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

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

#### **Audit Procedures—Compliance**

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

## **Other Services**

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

## **Management Responsibilities**

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

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

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

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

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

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

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

#### **Engagement Administration, Fees, and Other**

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

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

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

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

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

We expect to begin our audit on approximately December 13, 2018 and to issue our reports no later than January 31, 2019. This estimate annually is based on availability of records and cooperation of Board personnel. Dennis R Brown is the engagement manager and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$1,100 for fiscal year 2018. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

*Workman & Company*

Workman & Company  
Certified Public Accountants

**RESPONSE:**

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SUN VALLEY AIR SERVICES BOARD**

**INVOICES TO BE PAID**

**Through July 17, 2018**

Fly Sun Valley Alliance	April 2018 LOT Invoice	\$ 93,782.47
Sun Valley Marketing Alliance	April 2018 LOT Invoice	23,445.62
Fly Sun Valley Alliance	May 2018 LOT Invoice	116,142.08
Sun Valley Marketing Alliance	May 2018 LOT Invoice	29,035.52
TOTAL		\$262,405.69

Fly Sun Valley Alliance Inc.

PO Box 6316

# Invoice

Date	Invoice #
4/30/2018	206

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

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT April - June 2018 FSVA Contract Services	93,782.47	93,782.47
		<b>Total</b>	\$93,782.47



## FSVA CONTRACT SERVICES RENDERED – June 2018

### AIR SERVICE

#### AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service needs/opportunities
- Continued discussions/planning with airlines regarding current and future service; contracts, etc.
- Attended ACI Jumpstart Conference; held one-on-one meetings with key airline network planners
- 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 with VSV and other marketing partners on air service marketing efforts in key markets

#### LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media channels; updated 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 various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

#### RESEARCH/OTHER

- Developed plans for summer 2018 SUN Air Passenger survey collection
- Followed up on results/analysis of spring 2018 SUN air passenger survey
- Continued work on compiling/tracking relevant news and comparative data and information of air service



**SUN VALLEY MARKETING ALLIANCE, INC.**

PO Box 4934  
Ketchum, ID 83340  
208-726-3423  
Scott@VisitSunValley.com  
www.visitsunvalley.com

**Invoice**



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

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
988	07/16/2018	\$23,445.62	08/15/2018	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing   April 2018	0	23,445.62	23,445.62

Thanks to the ASB for your continued support!

**BALANCE DUE**

**\$23,445.62**

Fly Sun Valley Alliance Inc.

PO Box 6316

# Invoice

Date	Invoice #
5/31/2018	207

<b>Bill To</b>
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 May - July 2018 FSVA Contract Services	116,142.08	116,142.08
		<b>Total</b>	\$116,142.08



## FSVA CONTRACT SERVICES RENDERED – July 2018

### AIR SERVICE

#### AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service needs/opportunities
- Continued discussions/planning with airlines regarding current and future service; contracts, etc.
- Followed up from ACI Jumpstart airline meetings
- 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 with VSV and other marketing partners on air service marketing efforts in key markets

#### LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media channels; updated website
- Announced 2018/19 fall & winter improved air service schedule via press release, ENews, social, other
- Created new FY19 air service schedule and route map – shared with all partners
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing/ PR for air service (*print, digital*)
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

#### RESEARCH/OTHER

- Continued with implementation of summer 2018 SUN Air Passenger survey collection
- Continued work on compiling/tracking relevant news and comparative data and information of air service

**SUN VALLEY MARKETING ALLIANCE, INC.**

PO Box 4934  
Ketchum, ID 83340  
208-726-3423  
Scott@VisitSunValley.com  
www.visitsunvalley.com

**Invoice**



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

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
989	07/16/2018	\$29,035.52	08/15/2018	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing   May 2018	1	29,035.52	29,035.52

Thanks to the ASB for your continued support!

**BALANCE DUE**

**\$29,035.52**



PO Box 4934, Ketchum ID 83340 | **T**- 208 726 3423 1 800 634 3347 **F**- 208 726 4533 | [visitsunvalley.com](http://visitsunvalley.com)

## Operational Highlights

April – May, 2018

Prepared for

### SUN VALLEY AIR SERVICE BOARD

#### Quick Updates

- DestiMetrics:
  - Occupancy:
    - April- 20.8% in '18 vs. 20.1% in '17—3.5% increase
    - May- 22.6% in '18 vs. 24.5% in '17—7.7% decrease
  - ADR:
    - April- \$129 in '18 vs. \$140 in '17—7.7% decrease
    - May- \$127 in '18 vs. \$139 in '17—8.9% decrease
  - 10 properties reporting
    - The AmericInn stopped reporting, so no South valley representation
  - Upcoming:
    - New Executive Summary layout
    - Annualization of the Daily Occupancy Report in July
    - Annualization of the Reservations Activity Outlook in June
- [Facebook](#) fans: April +32, May +540
- [Instagram](#) followers: 11,300 (gained 600 since March)
- [Website](#) sessions YTD to [visitsunvalley.com](http://visitsunvalley.com) were down **-23%** compared to the same period in 2017. Our session duration or time on site was up **+25%**. Additionally, our organic search traffic is up **+18%**.
- Visit Sun Valley DMO page on [TripAdvisor](#) saw a decrease in page views during our spring months. We're seeing momentum rise back to mid-winter levels as we get in to the full-swing of summer.
- Our new [Events Calendar](#) is LIVE!
- [New summer landing pages](#)
  - [Family](#)
  - [Adventure](#)
  - [Conversion](#)
- New Events Postcard is available
- Completed Place Branding project. Finalizing a web platform to host the information on our website.
- Hosted ongoing Lodging Association meetings and conducted the first Retailers Association meeting.



# Visit SunValley

PO Box 4934, Ketchum ID 83340 | T- 208 726 3423 1 800 634 3347 F- 208 726 4533 | [visitsunvalley.com](http://visitsunvalley.com)

## Marketing & Advertising

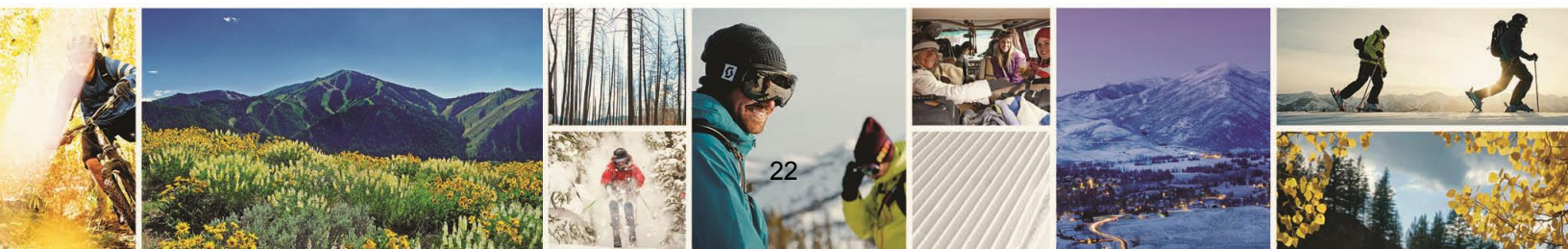
- Summer advertising in full swing with heavy utilization of our campaign videos along with a multitude of content partnerships that include:
  - [Outside](#)
  - [Travel + Leisure](#)
  - [Lonely Planet](#)
  - [Pink Bike](#)
- We are also partnering with a group called Inkwell to present a structured, measurable influencer program covering the active families and outdoor adventurer audiences. Collectively these folks represent 1 million+ followers.
  - Jacob Moon | [@moonmountainman](#)
  - Brooke Froelich | [@brooke.froelich](#)
  - Zack Shelhamer | [@zakshelhamer](#)
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the visitor is in town.

## PR

- Working with Fahlgren Mortine to continually refine our PR strategy
- Collaborated with Sun Valley Resort on a group FAM brought here to partake in the Sun Valley Film Festival
- Brought writer Ryan Smith from *Architectural Digest & Furthermore* to experience the Idaho Dark Skies along with a multitude of other Sun Valley offerings from biking to the dining scene.
- Collaborated with local lodging properties with PR representation to connect about the summer initiatives and hosting opportunities.
- Crafting press release to share the findings from the Place Branding Exercise
- Crafting press release to announce new board members
- Sun Valley Mentions & Features
  - Forbes | [Sun Valley: A Year-Round Destination](#)
  - Fine Magazine | [The Sun is Rising on the Sun valley Film Festival](#)
  - Smithsonian Magazine | [The 20 Best Small Towns to Visit in 2018](#)
  - MSN | [The Best New Tourist Attraction in Every State](#)
  - Reader's Digest | [Best Weekend Getaways in Every State](#)
  - Travel + Leisure | [10 Incredible Nighttime Adventures that Take Stargazing to New Heights](#)
  - USA Today | [Family Travel: Get Out of Your Comfort Zone](#)
  - USA Today | [What are the 10 Best Places to Visit in the United States](#)
  - Singletracks.com | [The Newest Trails in the 10 Best US Mountain Bike Destinations](#)

## Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- [Internally composed and distributed a variety of blog pieces including:](#)





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- [Hiking in Sun Valley, Idaho: A Summer Guide](#)
- [The Refinement of the Rad: Why Sun Valley is the Best Place to Learn](#)
- [A Guide to Ernest Hemingway's Sun Valley Legacy](#)
- [Late Night in Sun Valley](#)
- [The Best Places to Camp Around Sun Valley](#)
- [A Runner's Tour of the Sun Valley Area](#)
- [Summer Fun for Kids in Sun Valley, Idaho](#)
- [Best Hikes to Catch the Spring Wildflowers](#)
- [2018 Summer Concert Playlist](#)
- [2018 Summer Events](#)
- [How to Plan the Perfect Sun Valley Wedding](#)
- [Behind the Scenes: Making the Summer in Sun Valley Hyperlapse Video](#)

### **Membership, Administration and Finance**

- Community Meeting (bi-annual) on April 24
- Finished new Chart of Accounts with our accountant.
- Hosted ongoing Lodging Association meetings (6+)—
- Hosted and conducted the first Retailers Association meeting
- Met with the Mayor of Stanley and the ED of the Stanley Chamber
- Visit Sun Valley and the entire SVSEF met and explored enhanced collaboration
- Scott and Aly met with the ED of the Sawtooth Botanical Garden
- Ray and Aly attend the monthly Dark Sky committee meetings
- Ray, Aly and Scott attended Ketchum's Events Task Force meeting
- Scott attended: regular Air Service Board meetings, City of Ketchum's Budget Retreat, Mountain Travel Symposium in Tahoe, Post-Season SUN Bus Diversion meeting, International Pow-Wow (international sales trade show) in Denver, INNTOPIA conference in Denver, Idaho Business Review's 'Ida-GO' panel, meeting with SUN & Magic Valley Airport
- Scott presented to: the ITC (grant funding) May 1, City of Sun Valley (semi-annual report) on May 3, City of Ketchum 'Ask' on May 21, City of Sun Valley 'Ask' on June 1

