

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
HAILEY CITY HALL
115 MAIN STREET SOUTH
HAILEY, ID
July 26, 2017 - 2:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

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;

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

1. Approval of Air Service Board Minutes of May 24, 2017;
2. Receive and File Financials:
 - a. 1% Local Option Tax Report – March 2017;

PRESENTATIONS

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

PUBLIC HEARINGS

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

ACTION/DISCUSSION

6. Discussion and action regarding a proposal for auditing services for Fiscal Year 2017;
7. Authorization for Payment of Bills on-hand through July 19, 2017;

ADJOURNMENT

**SUN VALLEY AIR SERVICE BOARD
MEETING MINUTES
May 24, 2017 - 2:00 PM**

CALL TO ORDER

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

ROLL CALL

Present: Fritz Haemmerle – Mayor, City of Hailey
Nina Jonas – Mayor, City of Ketchum
Peter Hendricks – Mayor, City of Sun Valley

Absent: Larry Schoen – Blaine County Commissioner

Staff: Suzanne Frick – City Administrator, City of Ketchum

PLEDGE OF ALLEGIANCE

Peter Hendricks, Mayor of Sun Valley, led the pledge of allegiance.

PUBLIC COMMENT

Carol Waller thanked the voters for passing the 1% LOT for air services.

REMARKS FROM THE CHAIR

Mayor Fritz Haemmerle thanked the voters as well for passing the 1% LOT for air services.

CONSENT AGENDA

1. **Approval of Air Service Board Minutes of March 29, 2017**
2. **Receive and File Financials:**
 - a. **1% Local Option Tax Report – January and February 2017**

Nina Jonas asked if there were any questions regarding the LOT Report. Peter Hendricks questioned some of the amounts, to which Jonas explained satisfactorily. No other questions.

Motion to approve the Consent agenda in full.

| | |
|------------------|---|
| RESULT: | ADOPTED [UNANIMOUS ROLL CALL VOTE] |
| MOVER: | Peter Hendricks, Mayor of Sun Valley |
| SECONDER: | Nina Jonas, Mayor of Ketchum |
| AYES: | Hendricks, Jonas, Haemmerle |

NEW BUSINESS

3. **Authorization of Payment of Bills on-hand through May 19, 2017**

No questions.

Motion to approve payment of bills on-hand through May 19, 2017.

| | |
|------------------|---|
| RESULT: | ADOPTED [UNANIMOUS ROLL CALL VOTE] |
| MOVER: | Peter Hendricks, Mayor of Sun Valley |
| SECONDER: | Nina Jonas, Mayor of Ketchum |
| AYES: | Hendricks, Jonas, Haemmerle |

ADJOURNMENT

Motion to adjourn at 2:37 PM.

| | |
|------------------|---|
| RESULT: | ADJOURNED [UNANIMOUS ROLL CALL VOTE] |
| MOVER: | Peter Hendricks, Mayor of Sun Valley |
| SECONDER: | Nina Jonas, Mayor of Ketchum |
| AYES: | Hendricks, Jonas, Haemmerle |

Fritz Haemmerle, Chair

Nina Jonas, Secretary/Treasurer

DRAFT

**SUN VALLEY AIR SERVICE BOARD
1% LOCAL OPTION TAX REPORT - MARCH 2017**

| 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 | | | | | 607,142.00 | | | 396,365.00 |
| Oct-16 | Dec-16 | 25,044.55 | 116,078.61 | 3,841.16 | 144,964.32 | (6,318.18) | (2,955.00) | 135,691.14 |
| Nov-16 | Jan-17 | 20,805.19 | 114,070.63 | 3,644.94 | 138,520.76 | (6,312.67) | (125.00) | 132,083.09 |
| Dec-16 | Feb-17 | 75,320.65 | 256,203.22 | 6,839.51 | 338,363.38 | (6,407.63) | (95.00) | 331,860.75 |
| Jan-17 | Mar-17 | 41,863.26 | 177,867.63 | 11,313.51 | 231,044.40 | (6,527.39) | (108.00) | 224,409.01 |
| Feb-17 | Apr-17 | 52,938.78 | 197,649.74 | 8,434.30 | 259,022.82 | (6,446.77) | (108.00) | 252,468.05 |
| Mar-17 | May-17 | 42,712.34 | 174,032.32 | 7,554.35 | 224,299.01 | (6,422.13) | (108.00) | 217,768.88 |
| Apr-17 | Jun-17 | | | | | | | |
| May-17 | Jul-17 | | | | | | | |
| Jun-17 | Aug-17 | | | | | | | |
| Jul-17 | Sep-17 | | | | | | | |
| Aug-17 | Oct-17 | | | | | | | |
| Sep-17 | Nov-17 | | | | | | | |
| Total | | 258,684.77 | 1,035,902.15 | 41,627.77 | 1,336,214.69 | (38,434.77) | (3,499.00) | 1,690,645.92 |

Note: Adjustments to the Administrative Expenses is Oct 2995 s/b 2758 difference of 197 adjusted in April 608-197 = 411
Nov 125 s/b 108 difference of 17 adjusted in Dec 125 - 108 = 95

| 1% LOT Generated | 1% LOT Received | Funds for Contracts | Fly SV Alliance | | Available Funds | SVMA | Available Funds |
|---------------------|--------------------|------------------------|---------------------|--------------------|-----------------|---------------------|---------------------|
| | | | Budget Remaining | Invoiced Amount | | | |
| Fund Balance | | 396,365.00 | | | | | |
| Oct-16 | Dec-16 | 135,691.14 | 1,495,000 | - | 79,273.00 | Budget | 1,510,750 |
| Nov-16 | Jan-17 | 132,083.09 | 1,200,425 | - | 106,411.23 | Remaining | 332,449 |
| Dec-16 | Feb-17 | 331,860.75 | | 132,827.85 | (0.00) | | |
| Jan-17 | Mar-17 | 224,409.01 | | 66,372.15 | (0.00) | | |
| Feb-17 | Apr-17 | 252,468.05 | | 44,881.80 | (0.00) | | |
| Mar-17 | May-17 | 217,768.88 | | 50,493.61 | (0.00) | | |
| Apr-17 | Jun-17 | - | | 43,553.78 | 43,553.78 | | |
| May-17 | Jul-17 | - | | | | | |
| Jun-17 | Aug-17 | - | | | | | |
| Jul-17 | Sep-17 | - | | | | | |
| Aug-17 | Oct-17 | - | | | | | |
| Sep-17 | Nov-17 | - | | | | | |
| Total | | | 338,129.18 | 294,575.41 | | 1,352,516.74 | 1,178,301.63 |

SUN VALLEY AIR SERVICE BOARD FY 2017 - 2018 PROPOSED BUDGET

| | <u>FY 2014/2015</u> | <u>FY 2015/2016</u> | <u>FY 2016/2017</u> | <u>FY 2016/2017</u> | <u>FY 2016/2017</u> | <u>FY 2017/2018</u> | <u>+/-</u> | <u>% CHANGE</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>ACTUAL</u> | <u>ACTUAL</u> | <u>BUDGET</u> | <u>ADOPTED</u> | <u>ESTIMATED</u> | <u>PROPOSED</u> | <u>FY 2017/2018</u> | <u>FY 2017/2018</u> |
| REVENUES | | | | | | | | |
| CITY OF HAILEY 1% LOCAL OPTION TAX | 70,664 | 84,796 | 77,760 | 77,760 | 84,295 | 90,500 | 12,740 | 16.4% |
| CITY OF KETCHUM 1% LOCAL OPTION TAX | 1,751,812 | 1,843,913 | 1,848,451 | 1,848,451 | 1,981,561 | 1,986,729 | 138,278 | 7.5% |
| CITY OF SUN VALLEY 1% LOCAL OPTION TAX | 434,877 | 572,322 | 476,667 | 476,667 | 531,445 | 510,630 | 33,963 | 7.1% |
| INTEREST EARNINGS | 140 | 517 | 180 | 180 | 600 | 300 | 120 | 66.7% |
| FUND BALANCE APPLIED | 0 | 0 | 607,142 | 607,142 | 410,566 | 0 | (607,142) | -100.0% |
| <u>TOTAL REVENUE</u> | 2,257,493 | 2,501,548 | 3,010,200 | 3,010,200 | 3,008,467 | 2,588,159 | (422,041) | -14.0% |
| EXPENDITURES | | | | | | | | |
| CONTRACTS FOR SERVICES | 1,948,901 | 2,458,397 | 3,005,750 | 3,005,750 | 3,005,750 | 2,568,849 | (436,901) | -14.5% |
| OFFICE SUPPLIES/POSTAGE | 1,738 | 48 | 500 | 500 | 100 | 400 | (100) | -20.0% |
| ADVERTISING/PUBLIC NOTICES/WEBSITE | 446 | 477 | 800 | 800 | 500 | 600 | (200) | -25.0% |
| AUDIT | 975 | 975 | 1,000 | 1,000 | 995 | 1,100 | 100 | 10.0% |
| ATTORNEY FEES | 90 | 450 | 1,000 | 1,000 | 0 | 1,000 | 0 | 0.0% |
| INSURANCE | 1,122 | 1,144 | 1,150 | 1,150 | 1,122 | 1,210 | 60 | 5.2% |
| TRANSFER TO FUND BALANCE | 0 | 0 | 0 | 0 | 0 | 15,000 | 15,000 | - |
| <u>TOTAL EXPENDITURES</u> | 1,953,272 | 2,461,491 | 3,010,200 | 3,010,200 | 3,008,467 | 2,588,159 | (422,041) | -14.0% |
| BEGINNING FUND BALANCE | 102,069 | 406,290 | | | 446,347 | 35,781 | 35,781 | |
| ENDING FUND BALANCE | 406,290 | 446,347 | | | 35,781 | 50,781 | 50,781 | |



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

June 14, 2017

Sun Valley Air Service Board
PO Box 3801
Ketchum, Idaho 83341

I am pleased to confirm my understanding of the services I am to provide the Sun Valley Air Service Board (Board) for the year ended September 30, 2017. I will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, 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, 2017. 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 Agency'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 my engagement, I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me 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 my 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. My 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 City and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of the Agency's financial statements. My report will be addressed to the Board of Directors of the Sun Valley Air Service Board. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions on the financial statements are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or issue reports, or may withdraw from this engagement.

I 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 entity'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 entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during my audit I become aware that the Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, I 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, my 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. I 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 I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, 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, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential, and of any material abuse that comes to my attention. My responsibility as auditor is limited to the period covered by my audit and does not extend to later periods for which I am not engaged as auditor.

My 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. I 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 my audit, I 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

My 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 I 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. My 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 my 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, I 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, I will perform tests of the Board's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

I 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 me 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 me 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 I report.

You are responsible for the preparation of the supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include my 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 my 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 my report thereon. Your responsibilities include acknowledging to me 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 me 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 me 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 my 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 I provide. You will be required to acknowledge in the management representation letter my 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

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I 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 I am 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, I will remain responsible for the work provided by any such third-party service providers.

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

I will provide copies of my 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 my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Dennis R Brown, CPA 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. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dennis R. Brown CPA personnel. Furthermore, upon request, I 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.

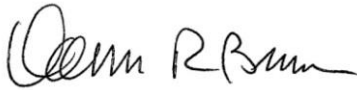
The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Board. If I am aware that a federal awarding agency or auditee is contesting an audit finding, I will contact the party(ies) contesting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

I expect to begin my audit on approximately December 11, 2017 and to issue my reports no later than January 31, 2018. This estimate annually is based on availability of records and cooperation of Board personnel. Dennis R Brown is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that my gross fee, including expenses, will not exceed \$1,100 for fiscal year 2017. My 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, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I 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 me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,



Dennis R. Brown
Certified Public Accountant

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 19, 2017

| | | |
|-------------------------------|------------------------|---------------|
| Fly Sun Valley Alliance | March 2017 LOT Invoice | \$ 174,215.10 |
| Sun Valley Marketing Alliance | March 2017 LOT Invoice | 43,553.78 |
| TOTAL | | \$217,768.88 |

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

| Date | Invoice # |
|-----------|-----------|
| 3/31/2017 | 187 |

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

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

| Quantity | Description | Rate | Amount |
|----------|--|--------------|--------------|
| | 1% LOT-March 2017 Collections - May 2017 FSVVA Contract Services | 174,215.10 | 174,215.10 |
| | | Total | \$174,215.10 |



TO: SUN VALLEY AIR SERVICE BOARD
CONTRACT SERVICES RENDERED – May 2017

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 FY18 and beyond
- Continued discussions/planning with airlines regarding current and future service; contracts, etc.
- Announced 2017 summer/fall flight schedule – includes early June SFO, later fall SFO and DEN service, mid-Oct- Dec SEA service (now 10 months).
- Prepared for airline meetings at upcoming ACI JumpStart air service development conference
- 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 to discuss 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*); fare sale promotion
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service/busing to inquiries from local and other travelers

RESEARCH/OTHER

- Began working on developing summer Air Passenger Survey – to start in June
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Sun Valley Marketing Alliance, Inc.

Visit Sun Valley
 P.O. Box 4934
 Ketchum, ID 83340



Invoice

| | |
|-----------|-----------|
| Date | Invoice # |
| 6/15/2017 | 822 |

| |
|---|
| Bill To |
| Air Service Board PO Box 3801 Ketchum, ID 83340 |

| | | P.O. No. | Terms |
|---|---|--------------|-------------|
| Quantity | Description | Rate | Amount |
| | Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing May 2017 | 43,553.78 | 43,553.78 |
| Thank you for your participation and support of Visit Sun Valley! | | Total | \$43,553.78 |

| |
|--------------|
| Phone # |
| 208-726-3423 |

PR

Mentions:

- Only in Your State | 13 Most Beautiful Restaurants in All of Idaho | <http://www.onlyinyourstate.com/idaho/most-beautiful-restaurants-id/>
- National Geographic | America's 20 Best Mountain Biking Towns | <http://www.nationalgeographic.com/adventure/lists/biking/best-mountain-biking-towns/#/mountain-biking-sun-valley-idaho.jpg>
- Men's Journal | The 20 Best Mountain Towns in America | <http://www.mensjournal.com/expert-advice/best-mountain-towns-20120503/ketchum-idaho>

Features:

- Sports Illustrated | How to Take Your Workout Outdoors: Escape to Sun Valley for a Mountain Biking Adventure | <https://www.si.com/edge/2017/05/05/take-your-workout-outdoors-escape-sun-valley-mountain-biking-adventure>

Social Media

Boosted post

- Seattle Airfare Deal | 5/25/17 for 5 days | \$35 | Facebook
- Portland Airfare Deal | 5/25/17 for 5 days | \$65 | Facebook

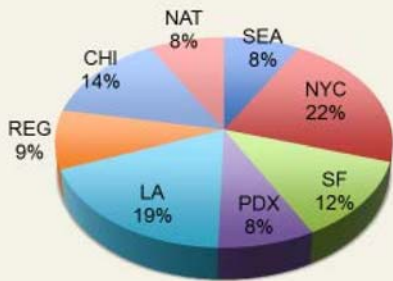
Twitter

- Multiple posts promoting the May airfare deals

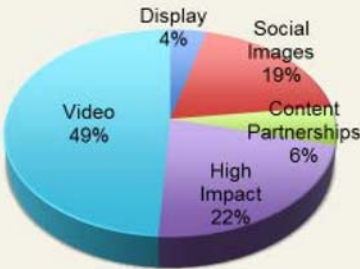
Strategy - Spend



SPEND BY MARKET



SPEND BY MIX



Advertising Spend Flow



Dollar Amount

