

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING

SUN VALLEY CITY HALL
81 ELKHORN ROAD
SUN VALLEY, ID

Wednesday, July 29, 2020 - 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 May 27, 2020 (Action Item);
2. Approval of Air Service Board Minutes of June 11, 2020 (Action Item);
3. Receive and File Financials: 1% Local Option Tax Report – April and May, 2020 (Action Item);

ACTION/DISCUSSION

4. Discussion and action regarding a proposal for auditing services for Fiscal Year 2020 (Action Item);
5. Authorization for Payment of Bills on-hand through July 24, 2020 (Action Item);
6. Fly Sun Valley Alliance air service update (no documents);
7. Sun Valley Marketing Alliance update (no documents);

PUBLIC HEARINGS

8. Consideration and adoption of the proposed Sun Valley Air Service Board Budget for FY 2021 for the expenditure of Local Option Tax (LOT) revenues received by the Sun Valley Air Service Board for taxes payable from the period of 10/1/20 through 9/30/21 (Action Item);

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

MOTIONS OR DISCUSSION FOLLOWING EXECUTIVE SESSION (Action Item)

ADJOURNMENT (Action Item)

**SUN VALLEY AIR SERVICE BOARD
MEETING MINUTES
May 27, 2020 at 2:00 PM
VIRTUAL MEETING**

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

Absent: None

Staff: Suzanne Frick – Administrator, City of Ketchum
Heather Dawson – Administrator, City of Hailey

CALL TO ORDER

Mayor Hendricks called the meeting to order at 2:01 PM.

PUBLIC COMMENT

None.

REMARKS FROM THE CHAIR

None

REMARKS FROM THE BOARD

None

CONSENT AGENDA

1. Approval of Air Service Board Minutes of March 18, 2020
2. Receive and File Financials:
 - a. 1% Local Option Tax Report – February and March 2020

Motion to approve the consent agenda, *in toto*.

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

ACTION/DISCUSSION/PRESENTATIONS

3. Authorization of payment of bills on-hand through May 22, 2020.

Motion to approve the bills on-hand through May 22, 2020.

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

4. Fly Sun Valley Alliance air service update

Carol Waller gave a general update. She mentioned that they maintained their service to all non-stop flight markets by reducing schedules and modifying frequency. They have been able to keep their flight markets which is good news though they are probably down 40-50% seat capacity. She gave details on how they are minimizing the MRG risk during this time and they will be revisiting their strategic plan, which was originally presented at the end of January.

5. Sun Valley Marketing Alliance update

Scott Fortner stated that they are approaching our current situation cautiously. They are changing their marketing focus to people “dreaming” to visit Sun Valley once they can travel. He believes that in the short term, there’s more potential in the outbound travel flights currently than inbound. There’s a lot of business travel and he mentioned that having that access is a relief for a lot of businesses. Also, he hasn’t seen a lot of change in pricing right now.

Mayor Bradshaw asked about the allocation of funds and what they are doing and asked what Visit Sun Valley is doing regarding discretionary funding to which Fortner responded that they are being careful. They have chosen channels with the most flexibility in case they need to change their messaging. Compared to the way their spend flow has been historically, they have spent less. They are trying not to drop off the radar screen but they are aware that their budget is going to take a hit and are planning accordingly.

Mayor Hendricks asked if we are looking a lot better as far as hot spots and we have progress in our county, and we start to see all of the second homeowners bringing in all of their friends, how adroit could you be to get some interest for August or early September events if they should suddenly pop up to which Fortner said the channels they’ve chosen allows flexibility to do that.

EXECUTIVE SESSION – Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, 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.

Motion to move into Executive Session at 2:40 PM.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Martha Burke, Mayor of Ketchum
AYES:	Bradshaw, Burke, Hendricks

Motion to return to open session at 2:58 PM.

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

ADJOURNMENT

Motion to adjourn at 2:58 PM.

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

Meeting adjourned at 2:59 PM.

Peter M. Hendricks, Chair

Neil Bradshaw, Secretary/Treasurer

**SUN VALLEY AIR SERVICE BOARD
SPECIAL MEETING MINUTES
June 11, 2020**

Present: Neil Bradshaw - Mayor, City of Ketchum
Peter Hendricks – Mayor, City of Sun Valley
Martha Burke – Mayor, City of Hailey
Jacob Greenberg – Blaine County Commissioner

Staff: Matt Johnson, Attorney
Suzanne Frick, Administrator of Ketchum
Grant Gager, Director of Finance & Internal Services – City of Ketchum
Carol Waller, Executive Director of Fly Sun Valley
Scott Fortner, Executive Director Sun Valley Marketing Alliance
Chris Pomeroy, Airport Manager

CALL TO ORDER

Mayor Peter Hendricks called the meeting to order at 9:01 am

PUBLIC COMMENT

None

REMARKS FROM THE CHAIR

None

REMARKS FROM THE BOARD

None

EXECUTIVE SESSION

Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from is closure 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

MOTION TO GO INTO EXECUTIVE SESSION AT 9:03 am.

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

MOTION TO COME OUT OF EXECUTIVE SESSION AT 9:18 am

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

MOTION OR DISCUSSION FOLLOWING EXECUTIVE SESSION

No Motion

ADJOURNMENT

Motion to adjourn at 9:19 am.

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

Peter Hendricks, Chair

Neil Bradshaw, Secretary/Treasurer

Sun Valley Air Service Board
1% Report for April and May, 2020

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								276,103.00
Oct-19	Dec-19	42,483.21	157,256.28	6,949.77	206,689.26	-6,499.45	-3,025.00	197,164.81
Nov-19	Jan-20	30,482.35	141,838.87	3,119.36	175,440.58	-6,374.26	-75.00	168,991.32
Dec-19	Feb-20	87,478.39	305,354.66	8,158.93	400,991.98	-6,621.20	-75.00	394,295.78
Jan-20	Mar-20	61,767.98	209,883.25	13,700.73	285,351.96	-6,892.75	-75.00	278,384.21
Feb-20	Apr-20	87,305.33	217,731.51	9,895.21	314,932.05	-6,706.29	-75.00	308,150.76
Mar-20	May-20	35,370.70	140,091.28	5,068.25	180,530.23	-6,469.75	-75.00	173,985.48
Apr-20	Jun-20	8,317.41	54,068.51	1,830.27	64,216.19	-6,311.09	-675.00	57,230.10
May-20	Jul-20	11,309.86	99,877.06	1,530.29	112,717.21	-6,296.39	-75.00	106,345.82
Jun-20	Aug-20	0.00	0.00	0.00	0.00	-6,221.41	-75.00	-6,296.41
Jul-20	Sep-20	0.00	0.00	0.00	0.00	-6,221.41	-75.00	-6,296.41
Aug-20	Oct-20	0.00	0.00	0.00	0.00	-6,221.41	-75.00	-6,296.41
Sep-20	Dec-20	0.00	0.00	0.00	0.00	-6,221.41	-75.00	-6,296.41
Total		364,515.23	1,326,101.42	50,252.81	1,740,869.46	(77,056.82)	(4,450.00)	

			Fly SV Alliance				SVMA			
			Budget	1,400,000				Budget	1,770,000	
			Remaining	571,772		41%		Remaining	637,577	
1% LOT Generated	1% LOT Received	Funds for Contracts	% of Available Funds				% of Available Funds			
			Owed	Funds for Contract	Invoiced Amount	Available Funds	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds
		276,103.00	50%	138,051.50			50%	138,051.50		
Oct-19	Dec-19	197,164.81	40%	78,865.92	78,865.92		60%	118,298.89	118,298.89	
Nov-19	Jan-20	168,991.32	40%	67,596.53	-	0.00	60%	101,394.79	-	0.00
Dec-19	Feb-20	394,295.78	40%	157,718.31	-	0.00	60%	236,577.47	-	0.00
Jan-20	Mar-20	278,384.21	40%	111,353.68	336,668.52	0.00	60%	167,030.53	505,002.79	0.00
Feb-20	Apr-20	308,150.76	40%	123,260.30	-		60%	184,890.46	-	
Mar-20	May-20	173,985.48	40%	69,594.19	330,905.99		60%	104,391.29	427,333.25	
Apr-20	Jun-20	57,230.10	50%	28,615.05	-		50%	28,615.05	-	
May-20	Jul-20	106,345.82	50%	53,172.91	81,787.96		50%	53,172.91	81,787.96	
Jun-20	Aug-20	-6,296.41	50%	-	-		50%	-	-	
Jul-20	Sep-20	-6,296.41	50%	-	-		50%	-	-	
Aug-20	Oct-20	-6,296.41	50%	-	-		50%	-	-	
Sep-20	Dec-20	-6,296.41	60%	-	-		40%	-	-	
Total				828,228.39	828,228.39			1,132,422.89	1,132,422.89	

WORKMAN & COMPANY

Office of
Accounting

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

July 22, 2020

Heather Dawson
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, 2020.
2. Our fee for this work will not exceed \$ 1,200 (unless additional work is necessary which would be negotiated.)
3. We will begin our audit services approximately December 16 and issue our report by January 31, 2021.

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

Office of
Accounting

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

July 22, 2020

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, 2020. 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, 2020. 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 15, 2020 and to issue our reports no later than January 31, 2021. This estimate annually is based on availability of records and cooperation of Board personnel. Brady Workman 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 \$1,200 for fiscal year 2020. 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 24, 2020

Fly Sun Valley Alliance April 2020 Invoice \$ 28,615.05

Fly Sun Valley Alliance May 2020 Invoice \$ 53,172.91

Sun Valley Marketing Alliance April 2020 Invoice \$ 28,615.05

Sun Valley Marketing Alliance May 2020 Invoice \$ 53,172.91

Total Invoices April through May, 2020 **\$ 163,575.92**

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
4/30/2020	250

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 April 2020 – FSVA Contract Services June 2020	28,615.05	28,615.05
		Total	\$28,615.05

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
5/31/2020	251

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 May 2020 – FSVA Contract Services July 2020	53,172.91	53,172.91
		Total	\$53,172.91



FSVA CONTRACT SERVICES RENDERED TO SUN VALLEY AIR SERVICE BOARD

JUNE 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
- Held discussions with airlines and airport on summer service changes, updated summer/fall air service schedule accordingly, shared with key stakeholders. Began discussions with airlines for FY21 schedules, options.
- Continued discussions/data gathering/analysis for update of Strategic Plan for FY21-24 due to new circumstances
- 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 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/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 (online/tele) to continue information outreach efforts
- Participated in newly developed Blaine Economic Business Recovery sub-committee
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Initiated SUN Air Traveler Travel Intention Survey to email database to gauge travel patterns/behavior
- Finalized new online summer air passenger survey via airport WIFI, began implementation in mid-June
- 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

JULY 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
- Continued discussions with airlines for FY21 schedules, options.
- Continued discussions/data gathering/analysis for update of Strategic Plan for FY21-24 due to new circumstances
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Accepted invitation to serve on Idaho Legislative Interim Air Service Committee
- 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/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 (online/tele) to continue information outreach efforts
- Participated in Blaine Economic Business Recovery sub-committee
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Completed SUN Air Traveler Travel Intention Survey to email database to gauge travel patterns/behavior
- Continued new online summer air passenger survey via airport WIFI, monitored results
- Continued work on compiling/tracking relevant news and comparative data and information on air service

SUN VALLEY MARKETING ALLIANCE, INC.

PO Box 4934
Ketchum, ID 83340 US
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
1190	07/29/2020	\$28,615.05	08/28/2020	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing - April 2020	1	28,615.05	28,615.05

We thank the Air Service Board for your continued support.

BALANCE DUE

\$28,615.05

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Invoice



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

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1219	07/29/2020	\$53,172.91	08/28/2020	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing - May 2020	1	53,172.91	53,172.91

We thank the Air Service Board for your continued support.

BALANCE DUE

\$53,172.91

Memo

To: Sun Valley Air Service Board
From: Heather Dawson
City Administrator, City of Hailey
Date: July 29, 2020
Re: Draft ASB Budget for FY 2021 and discussion of Fund Balance to be appropriated

The attached draft budgets are based upon estimated revenues received from each of the contributing cities. There are two drafts attached, which are exactly the same except:

1. The first appropriates fund balance in the same manner as was done in past years, which is to appropriate all the fund balance except approximately \$50,000. This version appropriates \$150,000 fund balance. The total budget amount in this draft is \$2,284,000.
2. The second does not appropriate any fund balance. We expect the board may wish to discuss the policy of the board regarding fund balance appropriation in an uncertain economy. The total budget amount in this draft is \$2,134,000.

The discussion of the budget will lead to a motion approving the budget in an amount to be determined by the Board following public hearing and discussion.

**SUN VALLEY AIR SERVICE BOARD
FY 2021 PROPOSED BUDGET**

	<u>FY 2017 ACTUAL</u>	<u>FY 2018 ACTUAL</u>	<u>FY 2019 ACTUAL</u>	<u>FY 2020 ADOPTED BUDGET</u>	<u>FY 2021 PROPOSED BUDGET</u>	<u>+/- FY 2020/2021</u>	<u>% CHANGE FY 2020/2021</u>
REVENUES							
CITY OF HAILEY 1% LOCAL OPTION TAX	93,147	92,967	106,729	96,051	34,360	(61,691)	-64.2%
CITY OF KETCHUM 1% LOCAL OPTION TAX	1,980,091	2,077,226	2,227,612	2,155,589	1,500,000	(655,589)	-30.4%
CITY OF SUN VALLEY 1% LOCAL OPTION TAX	602,844	678,200	756,721	645,707	598,600	(47,107)	-7.3%
INTEREST EARNINGS	687	1,314	2,477	1,000	1,040	40	4.0%
FUND BALANCE APPLIED	0	0	0	276,103	150,000	(126,103)	-45.7%
						0	
<u>TOTAL REVENUE</u>	2,676,769	2,849,707	3,093,539	3,174,450	2,284,000	(890,450)	-28.1%
						0	
						0	
EXPENDITURES							
CONTRACTS FOR SERVICES	3,005,750	2,568,849	2,999,500	3,170,000	2,279,000	(891,000)	-28.1%
OFFICE SUPPLIES/POSTAGE	54	80	95	300	354	54	18.0%
ADVERTISING/PUBLIC NOTICES/WEBSITE	338	240	200	600	600	0	0.0%
AUDIT	995	1,100	1,100	1,100	1,100	0	0.0%
ATTORNEY FEES	0	1,225	365	1,000	1,400	400	40.0%
INSURANCE	1,201	1,349	1,443	1,450	1,546	96	6.6%
TRANSFER TO FUND BALANCE	0	0	0	0	-	0	
						0	
<u>TOTAL EXPENDITURES</u>	3,008,338	2,572,843	3,002,703	3,174,450	2,284,000	(890,450)	-28.1%
						0	
BEGINNING FUND BALANCE	446,347	114,778	391,642	482,478	206,375	(276,103)	
ENDING FUND BALANCE	114,778	391,642	482,478	206,375	56,375	(150,000)	

**SUN VALLEY AIR SERVICE BOARD
FY 2021 PROPOSED BUDGET**

	<u>FY 2017 ACTUAL</u>	<u>FY 2018 ACTUAL</u>	<u>FY 2019 ACTUAL</u>	<u>FY 2020 ADOPTED BUDGET</u>	<u>FY 2021 PROPOSED BUDGET</u>	<u>+/- FY 2020/2021</u>	<u>% CHANGE FY 2020/2021</u>
REVENUES							
CITY OF HAILEY 1% LOCAL OPTION TAX	93,147	92,967	106,729	96,051	34,360	(61,691)	-64.2%
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CITY OF SUN VALLEY 1% LOCAL OPTION TAX	602,844	678,200	756,721	645,707	598,600	(47,107)	-7.3%
INTEREST EARNINGS	687	1,314	2,477	1,000	1,040	40	4.0%
FUND BALANCE APPLIED	0	0	0	276,103	-	(276,103)	-100.0%
						0	
<u>TOTAL REVENUE</u>	2,676,769	2,849,707	3,093,539	3,174,450	2,134,000	(1,040,450)	-32.8%
						0	
						0	
EXPENDITURES							
CONTRACTS FOR SERVICES	3,005,750	2,568,849	2,999,500	3,170,000	2,129,000	(1,041,000)	-32.8%
OFFICE SUPPLIES/POSTAGE	54	80	95	300	354	54	18.0%
ADVERTISING/PUBLIC NOTICES/WEBSITE	338	240	200	600	600	0	0.0%
AUDIT	995	1,100	1,100	1,100	1,100	0	0.0%
ATTORNEY FEES	0	1,225	365	1,000	1,400	400	40.0%
INSURANCE	1,201	1,349	1,443	1,450	1,546	96	6.6%
TRANSFER TO FUND BALANCE	0	0	0	0	-	0	
						0	
<u>TOTAL EXPENDITURES</u>	3,008,338	2,572,843	3,002,703	3,174,450	2,134,000	(1,040,450)	-32.8%
						0	
BEGINNING FUND BALANCE	446,347	114,778	391,642	482,478	206,375	(276,103)	
ENDING FUND BALANCE	114,778	391,642	482,478	206,375	206,375	0	