

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
81 ELKHORN ROAD, SUN VALLEY
WEDNESDAY, APRIL 2, 2025 - 2:00 PM

JOIN VIRTUALLY

Join Zoom Meeting

<https://us02web.zoom.us/j/89654447483?pwd=tu08tjYdhGAxQ5Mwultk8pwm8gloTu.1>

Meeting ID: 896 5444 7483

Passcode: 798889

One tap mobile

+12532158782,,89654447483#,,,,*798889# US (Tacoma)

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

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

1. Approval of the Sun Valley Air Service Board Meeting Minutes from January 15, 2025
2. Receive and File Financials:
 - a. 0.5% Local Option Tax Report: December – January Month of Sale Reporting

ACTIONS/DISCUSSIONS/PRESENTATIONS

3. Approval of bills paid and/or to be paid through March 28, 2025 (action item)
4. Presentation and acceptance of the audited financial statements as of September 30, 2024 by Workman & Company and acknowledgement of Representation Letter (action item)
5. Update from Sun Valley Tourism Alliance dba Visit Sun Valley and request for \$400,000 remaining in funding for FY2025 (action item)

ADJOURNMENT

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

**SUN VALLEY AIR SERVICE BOARD MEETING
KETCHUM CITY HALL
191 5th STREET WEST, KETCHUM, IDAHO WEDNESDAY, JANUARY 15, 2025 - 2:00 PM**

CALL TO ORDER: *(00:0:14 in video)*

Neil Bradshaw called the meeting of the Sun Valley Air Service Board to order at 2:00 PM

ROLL CALL:

Peter Hendricks—Mayor, City of Sun Valley

Martha Burke—Mayor, City of Hailey

Neil Bradshaw—Mayor, City of Ketchum

ABSENT:

Muffy Davis—Blaine County Commissioner

STAFF PRESENT:

Trent Donat—City Clerk and Business Manager, City of Ketchum

Nancy Flannigan—City Clerk and Assistant to the City Administrator, City of Sun Valley

Lisa Horowitz—City Administrator, City of Hailey

Jim Keating—City Administrator, City of Sun Valley

OTHERS PRESENT:

Carol Waller—Executive Director Fly Sun Valley Alliance

Ray Gadd—Executive Director Visit Sun Valley

REMARKS FROM THE BOARD:

None.

ELECTION OF 2025 OFFICERS: *(00:00:53 in video)*

Motion to keep the current roles in the current form.

Motion to approve the Election of 2025 Officers *(00:01:09 in video)*

MOVER: Martha Burke

SECONDER: Peter Hendricks

RESULT: Motion Approved

CONSENT AGENDA:

Motion to approve the consent agenda. *(00:01:17 in video)*

MOVER: Peter Hendricks

SECONDER: Martha Burke

RESULT: Motion Approved

ACTIONS/DISCUSSIONS/PRESENTATIONS

4. Joint Powers Agreement Renewal Discussion and possible approval of Second Extension.

Introduced by: Neil Bradshaw *(00:01:35 in video)*

Comments, and questions by the board.

Lisa Horowitz (00:02:39 in video)

Nancy Flannigan (00:03:42 in video)

Motion to approve the renewal and extension of the Joint Powers Agreement establishing the Sun Valley Air service Board. (00:04:29 in video)

MOVER: Peter Hendricks

SECONDER: Martha Burke

RESULT: Motion Approved

5. Bi-annual presentation from Fly Sun Valley Alliance.

Presented by: Carol Waller (00:05:51 in video)

Comments, questions, and discussion from the board. (throughout presentation)

6. Update from Sun Valley Tourism Alliance dba Visit Sun Valley.

Presented by: Ray Gadd (00:26:09 in video)

Comments, questions from the board. (throughout presentation)

ADJOURNMENT:

Motion to adjourn. (00:40:02 in video)

MOVER: Martha Burke

SECONDER: Peter Hendricks

RESULT: UNANIMOUS

Neil Bradshaw – Chair

Peter M. Hendricks, Secretary/Treasurer

MONTH OF SALE REPORTING

CASH FLOW OF LOT FOR FY 2025 (OCTOBER - SEPTEMBER)

SUN VALLEY	BEDS 3%	BEDS .5%	LIQUOR 3%	LIQUOR .5%	RETAIL	RETAIL .5%	BUILDING 1%	BUILDING .5%	TOTAL	TOTAL .5%	MINUS COST	SVASB NET	
October .5%	44,397.38	7,399.56	8,896.97	1,482.83	64,631.69	12,542.36	6,487.97	3,243.99	124,414.01	24,668.74	(493.37)	24,175.36	
November .5%	25,398.50	4,233.08	6,145.89	1,024.32	55,580.74	11,777.86	7,435.01	3,717.51	94,560.14	20,752.77	(415.06)	20,337.71	
December .5%	140,336.78	23,389.46	16,514.02	2,752.34	132,281.33	28,954.47	3,586.39	1,793.20	292,718.52	56,889.47	(1,137.79)	55,751.68	
January .5%	116,786.83	19,464.47	15,534.42	2,589.07	97,715.52	21,102.97	6,770.42	3,385.21	236,807.19	46,541.72	(930.83)	45,610.89	
February .5%											-	-	
March .5%											-	-	
April .5%											-	-	
May .5%											-	-	
June .5%											-	-	
July .5%											-	-	
August .5%											-	-	
September .5%											-	-	
TOTAL	326,919.49	54,486.57	47,091.30	7,848.56	350,209.28	74,377.66	24,279.79	12,139.91	748,499.86	148,852.70	(2,977.05)	145,875.64	
												Sun Valley Budget	517,539.00

(371,663.36)

KETCHUM	BEDS 3%	BEDS .5%	LIQUOR 3%	LIQUOR .5%	RETAIL	RETAIL .5%	BDLG 2%	BDLG .5%	TOTAL	TOTAL .5%	MINUS COST	SVASB NET	
October .5%	66,094.18	11,015.71	22,426.04	3,737.68	187,160.48	46,790.10	83,870.86	20,967.72	359,551.56	82,511.19	(1,650.22)	80,860.97	
November .5%	45,742.38	7,623.73	23,805.89	3,967.65	208,840.33	52,210.10	79,434.88	19,858.72	357,823.48	83,660.20	(1,673.20)	81,987.00	
December .5%	112,861.78	18,810.30	50,410.84	8,401.81	650,020.21	162,505.05	98,360.04	24,590.01	911,652.87	214,307.17	(4,286.14)	210,021.03	
January .5%	111,996.48	18,666.09	40,595.41	6,765.90	303,434.78	75,858.70	51,955.62	12,988.91	507,982.29	114,279.60	(2,285.59)	111,994.01	
February .5%									-	-	-	-	
March .5%									-	-	-	-	
April .5%									-	-	-	-	
May .5%									-	-	-	-	
June .5%									-	-	-	-	
July .5%									-	-	-	-	
August .5%									-	-	-	-	
September .5%									-	-	-	-	
TOTAL	336,694.82	56,115.83	137,238.18	22,873.04	1,349,455.80	337,363.95	313,621.40	78,405.36	2,137,010.20	494,758.16	(9,895.15)	484,863.01	
												Ketchum Budget	1,175,171.00

(690,308.00)

HAILEY	BED/CAR3%	BED/CAR .5%							TOTAL	TOTAL .5%	MINUS COST	SVASB NET	
October .5%	33,498.06	5,583.01	-	-	-	-	-	-	33,498.06	5,583.01	(273.57)	5,309.44	
November .5%	18,876.64	3,146.11	-	-	-	-	-	-	18,876.64	3,146.11	(154.16)	2,991.95	
December .5%	34,618.31	5,769.72	-	-	-	-	-	-	34,618.31	5,769.72	(282.72)	5,487.00	
January .5%	57,531.68	9,588.61	-	-	-	-	-	-	57,531.68	9,588.61	(469.84)	9,118.77	
February .5%			-	-	-	-	-	-	-	-	-	-	
March .5%			-	-	-	-	-	-	-	-	-	-	
April .5%			-	-	-	-	-	-	-	-	-	-	
May .5%			-	-	-	-	-	-	-	-	-	-	
June .5%			-	-	-	-	-	-	-	-	-	-	
July .5%			-	-	-	-	-	-	-	-	-	-	
August .5%			-	-	-	-	-	-	-	-	-	-	
September .5%			-	-	-	-	-	-	-	-	-	-	
TOTAL	144,524.69	24,087.45	-	-	-	-	-	-	144,524.69	24,087.45	(1,180.29)	22,907.16	
												Hailey Budget	150,077.00

(127,169.84)

TOTAL ALL - FYTD	667,698.30	(14,052.49)	653,645.80
	Cities Total Budgets		1,842,787.00
	Remaining to SVASB		(1,189,141.20)

(1,189,141.20)

MOS		Revenue: .5% LOT Contribution				Expenses		Net Funds For Contracts
LOT Generated	LOT Received	Sun Valley	Ketchum	Hailey	TOTAL	Communities Direct Costs	SVASB Administrative Fees	
				-				
Oct-24	Dec-24	24,668.74	82,511.19	5,583.01	112,762.94	(2,417.16)	(450.00)	109,895.78
Nov-24	Jan-25	20,752.77	83,660.20	3,146.11	107,559.08	(2,242.42)	(450.00)	104,866.66
Dec-24	Feb-25	56,889.47	214,307.17	5,769.72	276,966.35	(5,706.65)	(450.00)	270,809.70
Jan-25	Mar-25	46,541.72	114,279.60	9,588.61	170,409.93	(3,686.26)	(450.00)	166,273.67
Feb-25	Apr-25	-	-	-	-	-	-	-
Mar-25	May-25	-	-	-	-	-	-	-
Apr-25	Jun-25	-	-	-	-	-	-	-
May-25	Jul-25	-	-	-	-	-	-	-
Jun-25	Aug-25	-	-	-	-	-	-	-
Jul-25	Sep-25	-	-	-	-	-	-	-
Aug-25	Oct-25	-	-	-	-	-	-	-
Sep-25	Nov-25	-	-	-	-	-	-	-
Total		148,852.70	494,758.16	24,087.45	667,698.30	(14,052.49)	(1,800.00)	651,845.81

Fly SV Alliance			Visit Sun Valley		
	Budget	137,337		Budget	1,600,000
	Remaining	137,337		Remaining	400,000
Invoiced Amount	Paid	Check	Invoiced Amount	Paid	Check
			1,200,000.00	12/17/2024	1673
-			1,200,000.00		

Cash Flow Statement			
US BANK #0186	635,184.89	cash balance	3/5/2025
	-	SVMA	Pending First FY Invoice
	-	Fly Sv Alliance	Holding Payment per Board
	-		
		Sun Valley	
	45,610.89	Revenue	Pending an MOS
		Ketchum	
	111,994.01	Revenue	Pending an MOS
		Hailey	
	9,118.77	Revenue	Pending an MOS
	-	LGIP TRANSFER	
	<u>801,908.56</u>	ending cash balance	
LGIP #3358	2,600,614.63	LGIP Investment Balance	3/5/2025

**SUN VALLEY AIR SERVICE BOARD
FY 2025 PROPOSED BUDGET**

	AUDITED FY 2021 ACTUAL	AUDITED FY 2022 ACTUAL	AUDITED FY 2023 ACTUAL	AUDITED FY 2024 ACTUAL	PROPOSED FY 2025 BUDGET
REVENUES					
CITY OF HAILEY % LOCAL OPTION TAX	134,238	157,157	132,248	79,323	150,077
CITY OF KETCHUM % LOCAL OPTION TAX	3,307,358	3,104,900	2,791,851	1,482,225	1,175,171
CITY OF SUN VALLEY % LOCAL OPTION TAX	847,745	1,082,612	944,819	553,350	517,539
INTEREST EARNINGS	568	5,694	87,246	134,053	40,000
FUND BALANCE APPLIED	-	-	-		
TOTAL REVENUE	4,289,909	4,350,364	3,956,164	2,248,951	1,882,787
EXPENDITURES					
CONTRACTS FOR SERVICES	2,129,000	2,805,075	3,099,776	1,836,768	1,877,337
VISIT SUN VALLEY					1,600,000
FLY SUN VALLEY ALLIANCE					137,337
MOUNTAIN RIDES					105,000
CHAMBER					35,000
ADMIN TOTAL				3,826	5,450
OFFICE SUPPLIES/POSTAGE	148	222		97	350
ADVERTISING/PUBLIC NOTICES/WEBSITE	240	315	-	-	600
AUDIT	1,100	1,300	1,300	1,430	1,500
ATTORNEY FEES	273	744	420	360	1,000
INSURANCE	1,342	-	1,686	1,939	2,000
TOTAL EXPENDITURES	2,132,103	2,807,656	3,103,182	1,840,594	1,882,787
<i>ADDED ITEMS</i>					
REMAINING MOUNTAIN RIDES					400,000
ANNUAL NET POSITION (Projected)	2,157,806	1,542,708	852,982	408,358	(400,000)
BEGINNING FUND BALANCE				3,841,570	4,249,928
ANNUAL NET POSITION CHANGE				408,358	(400,000)
UNRESTRICTED FUND BALANCE				4,249,928	<u>3,849,928</u>

**SUN VALLEY AIR SERVICE BOARD
BILLS PAID AND/OR TO BE PAID**

Through: March 28, 2025

Vendor	Date	Invoice #	Description	Amount	To be paid	Paid
Workman and Company	2/5/2025	n/a	Audited Financial Statements at 9/30/24	1,430.00	1,430.00	
White Peterson	1/31/2025	166899	Joint Powers Agreement - General	\$140.00	\$140.00	
			Invoice Totals:		\$ 1,570.00	\$ -

WORKMAN AND COMPANY

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

Invoice

Date	Invoice #
2/5/2025	

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

Terms	Due Date	Account #
Net 30	2/5/2025	

Date	Item	Description	Rate	Amount
2/5/2025	Balance Forward			0.00
		Audited Financial Statements at September 30, 2024		1,430.00
			Total	\$1,430.00

		Payments/Credits	
Phone #	(208)733-1161	BALANCE DUE	\$1,430.00
Fax #	(208)733-6100		

WHITE PETERSON

ATTORNEYS AT LAW
CANYON PARK AT THE IDAHO CENTER
5700 EAST FRANKLIN ROAD, SUITE 200
NAMPA, IDAHO 83687
TEL (208) 466-9272
FAX (208) 466-4405
FED ID # 82-0309660

Sun Valley Air Service Board
EMAIL TO:
NFlannigan@sunvalleyidaho.gov

Page: 1
01/31/2025
Account No: 25911-000M
Statement No: 166899

Joint Powers Agreement - General

Fees

			Hours	
01/10/2025	MAJ	Review on documents; response to N. Flannigan re JPA renewal options and document.	0.40	
		For Current Services Rendered	0.40	140.00
		Total Current Work		140.00
		Balance Due		<u>\$140.00</u>

Please include account number 25911.000 on your remittance.

A finance charge of 1.5% per month, compounded monthly, (19.6% Annual Percentage Rate) is charged on any balance remaining after the last day of the month in which the statement is sent, unless other arrangements have been made.

SUN VALLEY AIR SERVICE BOARD

BLAINE COUNTY, IDAHO

**Financial Statements
at September 30, 2024**

**SUN VALLEY AIR SERVICE BOARD
BLAINE COUNTY, IDAHO
For the year ended September 30, 2024**

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

INDEPENDENT AUDITOR'S REPORT

February 5, 2025

Members of the Board
Sun Valley Air Service Board

Opinions

We have audited the accompanying financial statements of the governmental activities of the Sun Valley Air Service Board, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Sun Valley Air Service Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Sun Valley Air Service Board, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sun Valley Air Service Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sun Valley Air Service Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

Report Continued—

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sun Valley Air Service Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sun Valley Air Service Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planning scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 11 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the Sun Valley Air Service Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD
Statement of Net Position
at September 30, 2024

ASSETS

Cash in Checking	\$ 1,905,637	
Cash in LGIP	2,343,940	
Total Cash and Deposits		\$ 4,249,577
Local Option Tax Receivables:		
City of Sun Valley	0	
City of Ketchum	0	
City of Hailey	0	
Total Tax Receivables		0
Total Assets		4,249,577

LIABILITIES

Accrued Contracts Payable:		
Contracts Payable	0	
Total Contracts Payable		0
Other Accounts Payable		0
Total Liabilities		0

NET POSITION

Invested in Capital Assets - net of related debt	0	
Restricted for Local Aviation Services	4,249,577	
Unrestricted	0	
Total Net Position		\$ 4,249,577

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Revenue, Expenses,
and Changes in Net Position
for the year ended September 30, 2024

Operating Revenues:

Local Option Tax Revenues:

City of Sun Valley \$ 553,350

City of Ketchum 1,482,225

City of Hailey 79,323

Total Tax Revenues \$ 2,114,898

Interest Income 134,053

Total Operating Revenue: 2,248,951

Operating Expenses:

Marketing Contracted Services 1,836,768

Professional Fees 2,140

Insurance 1,939

Administrative Expenses 97

Total Operating Expenses 1,840,944

Operating Income 408,007

Total Net Position - Beginning 3,841,570

Total Net Position - Ending \$ 4,249,577

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Cash Flows
for the year ended September 30, 2024

Cash Flows From Operating Activities:

Receipts from other governments	\$ 2,114,898	
Payments to suppliers and vendors	(1,840,944)	
Other receipts	<u>0</u>	
Net cash provided (used) by operations		\$ 273,954

Cash Flows From Capital Related Financing Activities:

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

Cash Flows From Investing Activities:

Purchase of Capital Assets		
Interest Income	<u>134,053</u>	
Net cash used by investing activities		<u>134,053</u>

Net Increase (Decrease) in Cash and Equivalents 408,007

Balances - Beginning of the year 3,841,570

Balances - Ending of the year \$ 4,249,577

Displayed as:

Cash and Deposits		1,905,637
Cash in LGIP		<u>2,343,940</u>

Balances - Ending of the year \$ 4,249,577

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities:

Operating Income	408,007	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Net Interest Earnings/Expense	(134,053)	
Change in assets and liabilities:		
Local Option Taxes Receivable		
Accounts and Contracts Payable		
	<u> </u>	

Net Cash Provided (Used) by Operating Activities: \$ 273,954

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Balance Sheet
Governmental Funds
at September 30, 2024

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS:		
Cash and Deposits	\$ <u>4,249,577</u>	\$ <u>4,249,577</u>
Total Assets	\$ <u><u>4,249,577</u></u>	\$ <u><u>4,249,577</u></u>
LIABILITIES:		
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>
FUND BALANCE:		
Non-spendable	0	0
Restricted	4,249,577	4,249,577
Committed	0	0
Assigned	0	0
Unassigned	<u>0</u>	<u>0</u>
Total Fund Balance	<u>4,249,577</u>	<u>4,249,577</u>
Total Liabilities and Fund Balance	\$ <u><u>4,249,577</u></u>	\$ <u><u>4,249,577</u></u>

The accompanying notes are a part of these financial statements.

SUN VALLEY AIR SERVICE BOARD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2024

	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUE:		
Sun Valley .5% Local Option Tax Revenues	\$ 553,350	\$ 553,350
Ketchum .5% Local Option Tax Revenues	1,482,225	1,482,225
Hailey .5% Local Option Tax Revenues	79,323	79,323
Interest Earned	<u>134,053</u>	<u>134,053</u>
 Total Revenue	 <u>2,248,951</u>	 <u>2,248,951</u>
EXPENDITURES:		
Marketing Contracted Services	1,836,768	1,836,768
Administrative Services	97	97
Professional Fees	2,140	2,140
Insurance	<u>1,939</u>	<u>1,939</u>
 Total Expenditures	 <u>1,840,944</u>	 <u>1,840,944</u>
EXCESS REVENUE (EXPENDITURES)	408,007	408,007
OTHER FINANCING SOURCES (USES):		
Due (to) from other funds	<u>0</u>	<u>0</u>
 NET CHANGE IN FUND BALANCES	 408,007	 408,007
 FUND BALANCE - BEGINNING	 <u>3,841,570</u>	 <u>3,841,570</u>
 FUND BALANCE - ENDING	 <u>\$ 4,249,577</u>	 <u>\$ 4,249,577</u>

The accompanying notes are a part of these financial statements.

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Sun Valley Air Service Board (the Board) was established on November 16, 2013, under a Joint Powers Agreement among the municipal corporations of the CITY OF KETCHUM, IDAHO, the CITY OF SUN VALLEY, IDAHO, and the CITY OF HAILEY, IDAHO. The Board was created for the purpose of collecting the .5% local option tax levied in each City by voter approval and appropriating said option tax to provide for local air service and related travel costs, including minimum revenue guarantees for air service providers.

The financial statements of the Sun Valley Air Service Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net position) report information on all of the non-fiduciary activities of the Board.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Board's activities and general administrative services are classified as governmental activities. The Board has no business-type activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All other revenue items are considered to be measurable and available only when the Board receives cash.

The Board reports the following major governmental fund:

- The *General Fund* is the Board's operating fund. It accounts for all financial resources of the Board.

Capital Assets

The Board currently owns no property held for future uses nor does it anticipate any such ownership.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Continued—

2. LOCAL OPTION TAXES

Each City has legally adopted a .5% Local Option Sales Tax that is collected monthly. Each City collects said tax by the end of the calendar month following the collection period. Those collected taxes are conveyed to the Board by the end of the month following collection.

3. CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board has no deposit policy for custodial credit risk. At year end, \$ 1,247,942 of the Board's bank balance was exposed to custodial credit risk because it was not insured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Board held the following investments:

Investment Type

Idaho State Local Government Investment Pool \$ 2,343,940.

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the Board voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the Board's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The Board's policy is to comply with Idaho State statutes which authorize the Board to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The Board has no policy regarding these two investment risk categories.

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand		\$ 0
Deposits with financial institutions:		
Demand deposits		1,905,637
State of Idaho Investment Pooled Cash		<u>2,343,940</u>
Total		<u>\$ 4,249,577</u>

**SUN VALLEY AIR SERVICE BOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Continued—

4. RESTRICTED NET POSITON

Under the Joint Powers Agreement, the Board is only to provide for the local air service activities. This restricts the available net position for that expressed purpose.

5. GENERAL FIXED ASSETS

The Board has no fixed assets.

6. CONTRACTS PAYABLE

The Board has entered into two contracts with local vendors to provide for its express purpose in the air service industry. These two contracts are between the Board and Fly Sun Valley Alliance, Inc. (an Idaho nonprofit corporation) and Sun Valley Marketing Alliance, Inc. (an Idaho nonprofit corporation.) Additionally, these two corporations have the express purpose of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees (MRG's) or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; and c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service.

7. RETIREMENT PLAN

The Board has no employees and therefore no retirement plan.

8. LITIGATION

The Board, at the financial statement date, is not involved in any material disputes as either plaintiff or defendant.

9. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the fiscal year, the Board contracted with Idaho County Risk Management Program (ICRMP) for property, crime, and fleet insurance. Under the terms of the ICRMP policy, the Board's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year.

10. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**SUN VALLEY AIR SERVICE BOARD
 Budgetary Comparison Schedule
 Government-Wide Statement of Activities
 for the year ended September 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES:			
City of Hailey .5% Local Option Tax	\$ 146,392	\$ 79,323	\$ (67,069)
City of Ketchum .5% Local Option Tax	1,316,595	1,482,225	165,630
City of Sun Valley .5% Local Option Tax	534,459	553,350	18,891
Earnings on investments	10,000	134,053	124,053
Total revenues	<u>2,007,446</u>	<u>2,248,951</u>	<u>241,505</u>
EXPENDITURES:			
Marketing Contracts for Services	2,001,506	1,836,768	164,738
Administrative Costs	954	97	857
Professional	3,300	2,140	1,160
Insurance	1,686	1,939	(253)
Total expenditures	<u>2,007,446</u>	<u>1,840,944</u>	<u>166,502</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>408,007</u>	<u>408,007</u>
FUND BALANCE - BEGINNING	<u>3,841,570</u>	<u>3,841,570</u>	
FUND BALANCE - ENDING	<u>\$ 3,841,570</u>	<u>\$ 4,249,577</u>	

The accompanying notes are a part of these financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

February 5, 2025

Member of the Board
Sun Valley Air Service Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Sun Valley Air Service Board, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the Sun Valley Air Service Board's basic financial statements, and have issued our report thereon dated February 5, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sun Valley Air Service Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sun Valley Air Service Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sun Valley Air Service Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sun Valley Air Service Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report Continued—

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

SUN VALLEY AIR SERVICE BOARD



February 5, 2025

Workman and Company
Certified Public Accountants
2190 Village Park Ave., Suite 300
Twin Falls, Idaho 83301

This representation letter is provided in connection with your audit of the financial statements of the Sun Valley Air Service Board, which comprise the respective financial position of the governmental activities as of September 30, 2024, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 5, 2025, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 26, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures, if any, have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list, if any, of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Board is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Board and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Board's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the Board's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The Board has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have reviewed, approved and accepted responsibility for your proposed adjustments to our general ledger account balances.
- 28) The Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Board has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations if any.
- 31) The financial statements properly classify all funds and activities in accordance with [GASB Statement No. 34](#).
- 32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 42) We have appropriately disclosed the Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____

Title: _____