

**FLY SUN VALLEY
ALLIANCE, INC**
Financial Statements

Year Ended September 30, 2025

FLY SUN VALLEY ALLIANCE, INC
BLAINE COUNTY, IDAHO
For the Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

February 20, 2026

Board of Directors
Fly Sun Valley Alliance, Inc

Opinions

We have audited the accompanying financial statements of Fly Sun Valley Alliance, Inc., (Fly Sun Valley) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Fly Sun Valley'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 Fly Sun Valley Alliance, Inc., as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Fly Sun Valley, 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 Fly Sun Valley'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 Fly Sun Valley'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 Fly Sun Valley'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.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

FLY SUN VALLEY ALLIANCE, INC.
Statement of Financial Position
at September 30, 2025

ASSETS

Current Assets:

Cash	\$	2,186,479	
Restricted Cash		600,000	
Accounts Receivable		331,951	
Other Current Assets		2,500	
Total Current Assets			\$ 3,120,930

Fixed Assets:

Fixed Assets		0	
		0	
Accumulated Depreciation		0	
Total Fixed Assets			0

Total Assets **\$ 3,120,930**

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$	729,974	
Deferred Revenue		0	
Total Current Liabilities			\$ 729,974

Other Non-Current Liabilities		0	
Total Non-Current Liabilities			0

Total Liabilities **729,974**

Net Assets:

Unrestricted		523,506	
Temporarily Restricted		1,867,450	
Permanently Restricted		0	

Total Net Assets **2,390,956**

Total Liabilities and Net Assets **\$ 3,120,930**

The accompanying notes are a part of these financial statements.

FLY SUN VALLEY ALLIANCE, INC.
Statement of Activity
for the year ended September 30, 2025

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support				
LOT Funds	\$ 0	\$ 0	\$ 0	0
Fundraising	160,067			160,067
Contributions	39,860			39,860
Investment Income	17,393	88,193		105,586
Net Assets Released from Restrictions	<u>1,312,914</u>	<u>(1,312,914)</u>		<u>0</u>
Total Revenues, Gains, and Other Support	<u>1,530,234</u>	<u>(1,224,721)</u>	<u>0</u>	<u>305,513</u>
Expenses				
Program Expenses				
Air Service Contracts	1,128,854			1,128,854
Air Service Development	106,886			106,886
Local Air Marketing	37,502			37,502
Airport Survey Research	39,672			39,672
Professional Fees	13,851			13,851
Fundraising Expenses	7,697			7,697
General and Administrative	142,551			142,551
Special Projects	500			500
	<u>1,477,513</u>	<u>0</u>	<u>0</u>	<u>1,477,513</u>
Change in Net Assets	<u>52,721</u>	<u>(1,224,721)</u>	<u>0</u>	<u>(1,172,000)</u>
Beginning Net Assets	470,785	3,092,171	0	3,562,956
Ending Net Assets	\$ <u>523,506</u> \$	<u>1,867,450</u> \$	<u>0</u> \$	<u>2,390,956</u>

The accompanying notes are a part of these financial statements.

FLY SUN VALLEY ALLIANCE, INC.
Statement of Cash Flows
for the year ended September 30, 2025

Cash Flows Operating Activities:

Change in Net Assets	\$ (1,172,000)	
Change in Deferred Revenue	(436,981)	
Change in Accounts Payable	343,266	
Change in Other Assets	<u>(162,919)</u>	
Net Cash Provided (Used) by Operating Activities		\$ (1,428,634)

Investing Activities:

Decrease in Fixed Assets		
Decrease in loans	0	
(Gain) Loss on disposition of assets	<u>0</u>	
Net Cash Provided (Used) by Investing Activities		0

Financing Activities:

Proceeds from Financing activities	<u>0</u>	
Net Cash Provided (Used) by Financing Activities		0

Cash at Beginning of Year		4,215,113
Cash at End of Year		\$ <u>2,786,479</u>

The accompanying notes are a part of these financial statements.

FLY SUN VALLEY ALLIANCE, INC.
Notes to the Financial Statements
At September 30, 2025

NOTE 1 – ORGANIZATION

Fly Sun Valley Alliance, Inc. (the Organization) was formed in 2007, under Internal Revenue Code section 501(c)(6) as a tax-free organization. The Organization was formed for the purpose of improving air service to the Wood River Valley. The Organization receives a substantial part of their funding from the Sun Valley Air Service Board which is funded through a 1% Local Option Tax that was voter approved and apportioned for local air service. A major part of this effort involves providing air service contract fees to airlines to serve the local community.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements.

Basis of Accounting

These financial statements are prepared under the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when incurred. The financial statements include estimates made by the Organization's accounting assistants and directors. Actual results could differ from those estimates. These accounting policies conform to generally accepted accounting principles and have been applied consistently in the preparation of the Organization's financial statements.

Income Taxes

The Organization is a tax-exempt entity under Internal Revenue Code Section 501(c)(6) for the year ended September 30, 2025. Under that Section, the Organization is not taxed on income and expenses related to its exempt purpose, which is to support local air service. Net nonexempt function income, which includes earned interest, may be taxed by the federal government and the State of Idaho.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date to acquisition.

Property and Depreciation

Property, Office Equipment and Fixtures are carried at cost. Major additions and betterments to the properties are capitalized and included in the property accounts, while maintenance and repairs which do not extend the useful life of the respective assets are expensed currently. The provision for depreciation

FLY SUN VALLEY ALLIANCE, INC.
Notes to the Financial Statements
At September 30, 2025

-Continued

is based on the straight-line method. As of the balance sheet date, the Organization did not record any Property or Equipment.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

NOTE 3 – SUBSEQUENT EVENTS

Management evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through February 20, 2026, the date on which the financial statements were available to be issued.

NOTE 4 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The Organization has a written deposit policy for custodial credit risk. At year end, \$ 0 of the Organization's bank account balances were exposed to custodial credit risk because they were 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 Organization 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 Organization did not hold any investments.

NOTE 5 – LETTER OF CREDIT

The Organization maintains a Letter of Credit with the bank per the air contract requirement. As of September 30, the Letter of Credit was \$1,000,000.

FLY SUN VALLEY ALLIANCE, INC.
Statement of Functional Expenses
at September 30, 2025

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management & General</u>	<u>Fund Raising</u>	
Air Service Contract Costs	\$ 1,128,854	\$	\$	\$ 1,128,854
Air Service Development	106,886			106,886
Local Air Marketing	37,502			37,502
Airport Survey Research	39,672			39,672
Business Ski Pass Promotion			200	200
Realtors for Air Recognition			5,758	5,758
Ski for Air Service			1,739	1,739
Other Fundraising			-	-
Program Management		138,000		138,000
Supplies		1,167		1,167
Accounting/Audit/Tax Prep Fees		13,851		13,851
Legal Fees		-		-
Insurance		2,380		2,380
Dues and Subscriptions		-		-
Special Projects		500		500
Other Expenses		1,004		1,004
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>1,312,914</u>	\$ <u>156,902</u>	\$ <u>7,697</u>	\$ <u>1,477,513</u>