



**TRUCKEE TAHOE AIRPORT DISTRICT  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
  
FOR THE FISCAL YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

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**TRUCKEE TAHOE AIRPORT DISTRICT**

**DECEMBER 31, 2021**

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**BOARD OF DIRECTORS**

Teresa O'Dette –President

David Diamond– Vice President

Mary Hetherington – Director

Kathryn Rohlf - Director

Rick Stephens - Director

\* \* \* \*

General Manager  
Kevin Smith

**TRUCKEE TAHOE AIRPORT DISTRICT**

**DECEMBER 31, 2021**

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# James Marta & Company LLP

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Truckee Tahoe Airport District  
Truckee, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Truckee Tahoe Airport District, which comprise the statements of net position as of December 31, 2021 and 2020 and the related statements of revenues, expenses and the change in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Truckee Tahoe Airport District as of December 31, 2021 and 2020 and the results of its operations in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis of our Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. 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 Truckee Tahoe Airport District 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 opinion.

#### ***Responsibility of Management for the Financial Statements***

Truckee Tahoe Airport District's 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 Truckee Tahoe Airport District's ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

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 opinion. 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 GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Truckee Tahoe Airport District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Truckee Tahoe Airport District'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 planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net pension Liability, Schedule of Contributions, and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. 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.

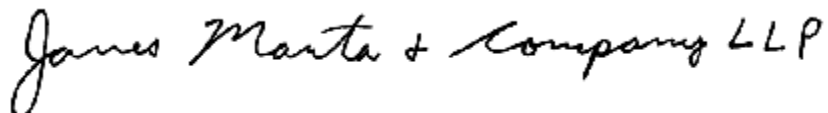
*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Truckee Tahoe Airport District. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not required parts of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2022 on our consideration of Truckee Tahoe Airport District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Truckee Tahoe Airport District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 18, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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The following discussion and analysis of the financial performance of the Truckee Tahoe Airport District (the “District” or the “Airport”) provides an overview of the District’s financial activities for the fiscal year (twelve months) ended December 31, 2021. Please read it in conjunction with the District’s financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District continues to implement Governmental Accounting Standards Board (GASB) Statement 68-Accounting and Financial Reporting for Pensions. This accounting principle sets up a Net Pension Liability that has decreased, based on annual actuarial reports, from \$2.93 million on December 31, 2020 to \$1.60 million on December 31, 2021.
- In the calendar year ended December 31, 2021, the District’s operating revenues increased \$432,068 (9.4%) over the prior fiscal year. This is primarily due to increased FBO Services, hangar revenue, and warehouse rents.
- The District received funding through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants in the amount of \$3,981,442 to complete pavement rehabilitation and airfield infrastructure projects.
- The District saw annualized property tax revenues increase 6%, in calendar year ended December 31, 2021.
- The District’s annualized personnel costs increased by 2.37% overall compared to 2020. Salaries and Wages increased by 2.26% due to annual COLA increases. There is a year-end adjustment relating to GASB 68 that decreases the PERS liability by \$832k based on the annual actuarial report and calculation in addition to and ADP of \$500k reducing it further.
- Operating, general and administrative annualized expenses were up 61% over the prior year. The increase was primarily due to Agency Partnerships & Community Sponsorships, Engineering and Operations Monitoring as well as other minor expense items that were put on hold in 2020 in response to the COVID-19 pandemic.
- Repair and maintenance annualized expenses were down from the prior fiscal year by 33%. In 2021, the District had minimal expenditures related to airfield pavement maintenance, land management and facilities maintenance.
- Due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. The District’s net position is \$59 million. The District has designated the unrestricted net position for future capital projects and contingencies.

**OPERATIONAL HIGHLIGHTS**

- During the twelve-month year ended 12/31/21, FBO revenues were up 25.15% compared to 2020. Jet A sales were up 10.4% in gallons sold while 100LL were down 13.9% over 2020. Net airside revenue was up 13.6% from the previous year primarily due to increased jet fuel sales, parking, and services.
- The District saw an increase in hangar revenue of 3.1% compared to 2020 considering the annual CPI increase.
- Other business leases were up 3.3% due to the CPI and warehouse rent increased 16.7% due to CPI and new tenants.



**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**USE OF FINANCIAL STATEMENTS TO ANALYZE THE DISTRICT’S CONDITION**

When financial statements are presented, the District is often asked, “Is the District better off or worse off as a result of this year’s activities?” The financial statements report information about the District’s activities in a way that helps answer this question. The statements are prepared on the accrual basis of accounting, which means that all of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. An explanation of each of the statements and the information they report follows.

**THE STATEMENT OF NET POSITION**

The Statement of Net Position details the District’s assets, liabilities, and the difference between them, known as net position, at the end of the fiscal years, December 31, 2021 and December 31, 2020. The level of net position is one way to measure the District’s financial health. Over time, increases or decreases in the District’s net position are one indicator of whether its financial health is improving or deteriorating. Other factors, such as changes in the District’s property tax revenues and the condition of the airport’s facilities, must also be considered to assess the overall health of the District.

**THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The Statement of Revenues, Expenses and Changes in Net Position presents information which shows how the District’s net position changed during the fiscal year. The statement measures the success of the District’s operations during the year and determines whether the District has recovered its costs through fuel sales, user fees and other revenue sources. The changes in net position for the fiscal years shown in this report agree with the differences in net position shown on December 31, 2021 in the above-mentioned Statement of Net Position.

**THE STATEMENT OF CASH FLOWS**

The Statement of Cash Flows provides information regarding the District’s cash receipts and disbursements during the fiscal year. Cash activity is grouped in the following four categories: operations, noncapital financing, capital, and related financing, and investing. This statement differs from the Statement of Revenues, Expenses and Changes in Net Position, because it only accounts for transactions that result in cash receipts or disbursements. For example, the amount shown as receipts from customers on the first line of the statements represents cash received during the fiscal year, rather than revenue earned.

**THE NOTES TO THE FINANCIAL STATEMENTS**

The Notes to the Financial Statements provide a description of accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles of the United States that are not otherwise present in the financial statements.

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**FINANCIAL ANALYSIS**

STATEMENT OF NET POSITION

The District's net position on December 31, 2021 totaled \$59,122,457 compared with \$55,509,834 on December 31, 2020. As noted in the Financial Highlights, due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. A summary of the District's asset, liability, and net position balances at the end of the current and prior two fiscal years appears on the following chart.

	December 31, 2021	December 31, 2020	Increase (Decrease)	Percent Change	December 31, 2019
<b>Assets:</b>					
Cash and Equivalents	\$ 5,442,326	\$ 5,852,550	\$ (410,224)	-7.0%	\$ 5,961,709
Other Current Assets	4,674,163	4,450,228	223,935	5.0%	4,226,195
Total Current Assets	10,116,489	10,302,778	(186,289)	-1.8%	10,187,904
Investments	1,000,000	1,000,000	-	0.0%	750,000
Noncurrent Receivable	35,600	35,600	-	0.0%	35,600
Net Capital Assets	58,934,576	56,134,787	2,799,789	5.0%	53,942,916
Total Assets	70,086,665	67,473,165	2,613,500	3.9%	64,916,420
Deferred Outflows	878,727	440,064	438,663	99.7%	434,344
<b>Liabilities:</b>					
Current Liabilities	2,140,816	2,383,986	(243,170)	-10.2%	1,763,274
Long Term Liabilities	7,997,355	9,722,916	(1,725,561)	-17.7%	9,512,827
Total Liabilities	10,138,171	12,106,902	(1,968,731)	-16.3%	11,276,101
Deferred Inflows	1,704,764	296,493	1,408,271	475.0%	313,295
<b>Net Position</b>					
Invested in Capital Assets, Net	52,149,647	48,969,634	3,180,013	6.5%	46,833,056
Restricted	-	-	-	-	-
Unrestricted	6,972,810	6,540,200	432,610	6.6%	6,928,312
Total Net Position	\$ 59,122,457	\$ 55,509,834	\$ 3,612,623	6.51%	\$ 53,761,368

The December 31, 2021 cash and cash equivalents balance decreased \$410,224 from the balance at the end of the prior year. The District invests surplus cash in the Local Agency Investment Fund, a governmental investment pool managed and directed by the California State Treasurer. The Investment line shows the Certificates of Deposit held by the District.

The increase in net property, plant and equipment is due to the completion of various capital projects and additions that are offset by depreciation of District's assets.

# TRUCKEE TAHOE AIRPORT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

The unrestricted portion of net position has been designated by the Board of Directors based on current capital projects, potential contingencies, and policy-based priorities. Of the \$6.9 million of unrestricted net assets, approximately \$1.5 million has been designated for a General Fund Operating Contingency, \$533,070 for Annoyance Reduction/Outreach Reserve, and \$1 million to pay for future Capital Asset projects. In addition, \$1 million has been designated for Land Acquisition, \$533,070 for Debt Retirement, \$319,840 for Forest Management and \$1 million exclusively for Pavement Maintenance. These breakdowns are based on the board approved categories/percentages from the June 2021 meeting. Additional information on the designation of unrestricted net position can be found in the notes to the financial statements.

#### THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Net operating revenues were greater than the prior calendar year, due to FBO services, hangar rentals, and warehouse leases.

The following table summarizes the District's Statement of Revenues, Expenses and Changes in Net Position for the current and prior two fiscal years:

	Year Ended December 31, 2021	Year Ended December 31, 2020	Increase (Decrease)	Percent Change	Year ended December 31, 2019
Net Operating Revenues:	\$ 5,010,962	\$ 4,578,894	\$ 432,068	9.4%	\$ 4,217,450
Operating Expenses, Net of Depreciation	<u>(10,591,260)</u>	<u>(8,752,808)</u>	<u>(1,838,452)</u>	21.0%	<u>(10,425,739)</u>
Operating Loss before Depreciation	(5,580,298)	(4,173,914)	(1,406,384)	33.7%	(6,208,289)
Depreciation Expense	<u>(2,357,692)</u>	<u>(2,500,403)</u>	<u>142,711</u>	-5.7%	<u>(2,662,736)</u>
Net Operating Loss	<u>(7,937,990)</u>	<u>(6,674,317)</u>	<u>(1,263,673)</u>	18.9%	<u>(8,871,025)</u>
Nonoperating Income:					
Property Tax Revenue	7,723,805	7,283,915	439,890	6.0%	6,909,481
Gain (Loss) on Disposal of Assets	55,340	6,568	48,772	742.6%	94,711
Grant Revenues-Capital/Operating	3,981,442	1,297,045	2,684,397	207.0%	1,506,349
Interest Expense	(244,130)	(255,456)	11,326	-4.4%	(255,622)
Interest and Other Nonoperating Income	<u>34,156</u>	<u>90,711</u>	<u>(56,555)</u>	-62.3%	<u>222,512</u>
Total Non operating Income	11,550,613	8,422,783	3,127,830	37.1%	8,477,431
Change in Net Position	<u>3,612,623</u>	<u>1,748,466</u>	<u>1,864,157</u>	106.6%	<u>(393,594)</u>
Net Position, Beginning-Restated	<u>55,509,834</u>	<u>53,761,368</u>	<u>1,748,466</u>	3.3%	<u>54,154,962</u>
Net Position, Ending	<u>\$ 59,122,457</u>	<u>\$ 55,509,834</u>	<u>\$ 3,612,623</u>	6.5%	<u>\$ 53,761,368</u>

Operating expenses, net of depreciation, increased \$1,838,452 or 21%, from the prior fiscal year. This category includes all costs related to payroll and employee benefits, general and administrative expenses, as well as the cost to maintain the District's high value infrastructure. The three largest item increases referenced in the Financial Highlights on page 4 include Community/Agency partnerships, Engineering and Operations Monitoring. The District continues to work with its pavement management program to keep the Airport's pavements in good condition. In 2021, with the aid of FAA AIP grants, the District expended \$4.4 Million to reconstruct Taxiway Alpha. The related grant revenues are \$3.9 Million. Property tax revenues were up 6% from the prior fiscal year.

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**CAPITAL ASSETS**

On December 31, 2021, the District had over \$58 million invested in a broad range of capital assets. The amounts invested in capital assets, net of related accumulated depreciation, are shown in the table below.

Capital Assets – Net of Depreciation

	December 31, 2021	December 31, 2020	December 31, 2019
Land and Easements	\$ 14,966,105	\$ 14,966,105	\$ 14,966,105
Building and Building Improvements	23,517,000	22,116,586	23,219,112
Land Improvements	9,868,779	8,845,605	9,633,992
Equipment	4,725,271	3,617,722	2,776,507
Construction in Progress	5,857,421	6,588,769	3,347,200
	<u>\$ 58,934,576</u>	<u>\$ 56,134,787</u>	<u>\$ 53,942,916</u>

The net capital asset balance increased \$2,799,788 during the 2021 fiscal year. That amount includes net capital additions of \$5,418,805 offset by \$2,357,692 in depreciation expense and \$261,325 in asset deletions. The capital additions are detailed in the table below.

Summary of Additions to Capital Assets

Hangar 1 Office & Hangar Reno	\$ 1,151,667
Hangar 1 Roof	213,000
Warehouse Upgrades	373,163
AIP 037 Taxiway Romeo Reconstruction	1,773,296
ADSB	1,268,516
AIP 039 Taxiway J&K Reconstruction	103,593
Scissor Lift	2,442
Storage Container Farm	40,876
Plows & Buckets	41,810
Hangar Row C Electrical Upgrade	178,467
Furnace/AC Maintenance Building	14,204
3-8" Underground Water Valves	29,624
Admin Chiller/Generator Electrical	18,335
Remote Office Setup	51,920
Furnace/AC Careflight Building	7,342
E Row Hangar Roof	9,300
Warehouse Upgrades-Sierra Comm House	493,532
Mobile Column Lift System	66,399
Lektro Tug	51,342
CIP	(470,023)
Total	<u>\$ 5,418,805</u>

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**ECONOMIC FACTORS AND BUDGET**

The Truckee Tahoe Airport District (District) is constantly striving to be an excellent example of local agency government. The following is the mission of the District:

*“The Truckee Tahoe Airport aims to provide safe, high-quality services and facilities, reduce impact on airport neighbors and the environment, and invest in opportunities that increase community safety and provide sustained benefit to the entire Truckee Tahoe region.”*

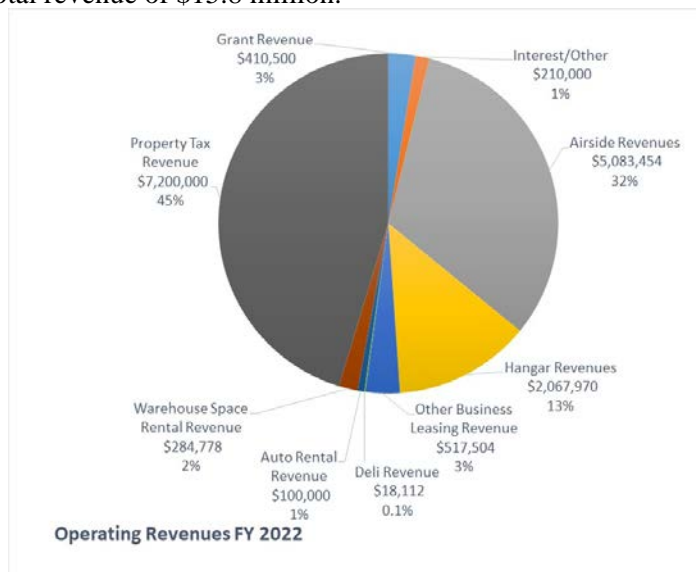
The District continues to be honored with a Transparency Certificate of Excellence from the Special Districts Leadership Foundation.

Based on the goals adopted by the Board of Directors, the fiscal year 2022 budget is an example of local agency government using its funding in a fiscally responsible way to satisfy the needs of its customers, constituents, employees, and the greater community.

**Fiscal Year 2022 Highlights**

- Operating budget of \$15.8 million
- Capital expenditures of \$2.2 million
- Operating revenues of \$8.0 million
- Property Tax revenues of \$7.2 million
- Use of Reserves \$2.9 million
- Grant Revenue \$410,500 FLAG
- Beginning Year Projected Reserves \$7 million
- End of Year Projected Reserves \$6 million

Airside operations and leasing revenues are projected to provide about \$5 million in revenues to offset staffing and administration expenses of the District. Operations, fuel sales and user fees continue in an upward trend with the economy. Other revenues from property taxes, federal grants and interest add another \$10.8 million for total revenue of \$15.8 million.



## TRUCKEE TAHOE AIRPORT DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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The 2022 budget reinforces the District's commitment to focus on community outreach and communication.

**Transparency:** The 2022 Budget reinforces the District's commitment to focus on transparency in many ways. The District was recognized in 2020 by the California Special District Association with the Transparency Certificate of Excellence Award. District Board meetings are broadcast over the local cable channel and the internet and archived on the District's website for viewing at any time. The District continues to refresh and update the website to provide constituents and customers with news and information about the District. The website has 50,000-60,000 visitors a year with the 360-degree webcam being especially popular. The District also publishes biannual newsletters to constituents as well as a newsletter to our pilot and user community. This Budget includes funding to redesign the District website to improve its utility as a communication and information dissemination tool for District constituents and airport user community.

**Commitment to Community:** The 2022 budget includes \$1.6 million for community partnerships and sponsorships. Ongoing support is provided to youth education and local transportation. The District helps many youth programs and activities through our community non-profit sponsorship initiative. These include Young Eagles, Civil Air Patrol, STEAM programs, Mission to Mars, the Challenger Academy program and Boys and Girls Club. Additionally, collaborative transportation projects include providing funding for free fares on TART public transportation, the North Lake Tahoe Express transportation to the Reno-Tahoe Airport, Town of Truckee with special town shuttle services, and participation in the Regional Air Service Corporation, supporting business and leisure air service to and from the Reno Tahoe International Airport. The District looks forward to again providing quality meeting space for community nonprofit groups as the effects of COVID-19 subside. We also are proud to provide space in our warehouse in support of local non-profit organizations at reduced cost in return for public benefit such as Truckee Round House in 2017, Tahoe Food Hub in 2018 and Project Mana in 2020. It should be noted that many of these programs and initiatives, including potential future Air Show events, Mission to Mars and other in person large gatherings may be subject to COVID-19 restrictions and/or cancellation.

**Noise and Annoyance Mitigation:** The District acknowledges the noise and annoyance impacts of arriving and departing aircraft and strives to be both an outstanding general aviation airport and a good neighbor. The Board has a commitment to work continually on new solutions to reduce annoyance and impact. District staff work seven days a week to provide quality service to our airport constituents and reduce air travel impacts to the community. It is the District's hope that the new ADS-B program may help to route aircraft more effectively on desired paths away from noise and annoyance affected neighborhoods. It should be noted that FAA procedure development can take up to 3 to 5 years to complete. In 2017, the District erected a Control Tower and contracted with Midwest Air Traffic Control for staffing of the control tower. The contract was renewed in 2021. The Board continues to fund this program for the full year in 2022 at \$960,000 to enhance safety and continue to develop new and better tools to mitigate community annoyance. Staff continues to work with Air Traffic Controllers to implement low impact procedures and move aircraft away from affected neighborhoods. This past year has shown some success through this tower program moving aircraft operations to our calm wind runways with increased departures on Runway 2.

Ongoing noise abatement programs such as the Fly Quiet incentive program, annoyance monitoring, pilot outreach, and the airspace and procedures study continue to be fully funded in 2022 along with new initiatives centered on low impact and carbon emissions reduction.

**Environmental Stewardship:** The District is committed to good environmental stewardship, including reducing its carbon footprint in the region it serves. The Budget is committing \$75,000 for Green House Gas reduction projects that may include lighting upgrades, funding for the Truckee Tahoe Zero Emission<sup>10</sup>

# TRUCKEE TAHOE AIRPORT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

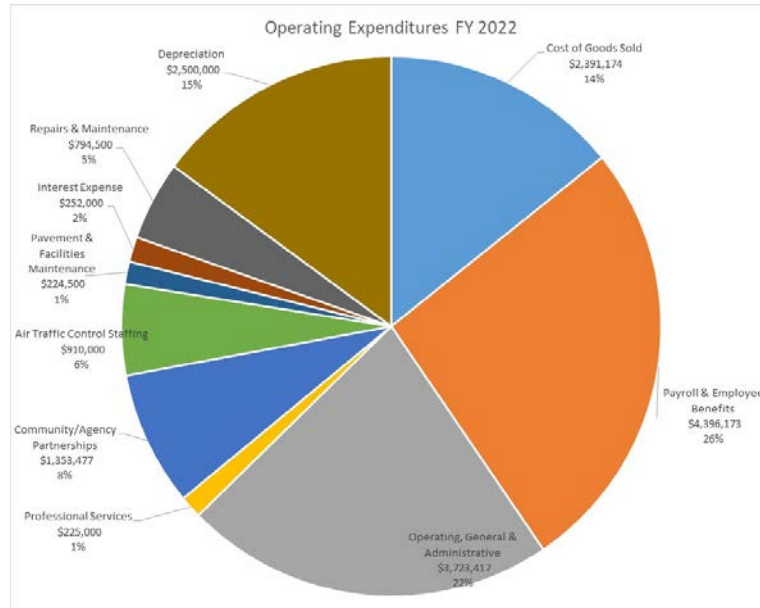
### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

group as it develops further, potential solar shade hangars, consideration of electric training aircraft options, as well as other projects and solutions. The District will continue its aircraft carbon emissions education and offset program in 2022 for aircraft operators, pilots, and passengers.

**Emergency Response:** The Truckee Tahoe Airport works with many local agencies that serve the area including CAL FIRE, Care Flight, CHP, Civil Air Patrol, Fish and Wildlife, Placer and Nevada County Sheriff, REACH, USFS, and US Military. The District will continue to fully leverage various programs including ADS-B to enhance access for our emergency responders. The District will continue to identify ways to make the airport available and accessible for firefighting operations as needed during fire season each year.

**Facilities Maintenance:** In 2020, the District revised and updated the Facilities Maintenance Plan to focus resources on the most efficient and effective way to maintain the District's infrastructure. All projects are evaluated by District staff and are approved by the Board as part of the budget process, taking into consideration the condition of the assets, as well as future needs and other factors, before proceeding with any scheduled or recommended projects. The District has budgeted \$934,000 on facility maintenance projects and general facilities maintenance.

### Operating Expenditures – 2022



### FISCAL YEAR 2022 BUDGETED CAPITAL EXPENDITURES

Capital projects are evaluated and budgeted for based on need, preservation of asset and the impact on overall long-term financial stability of the District. The 2022 budget includes \$2.2 million spending on capital projects of which \$410,500 is grant funded.

Grant-funded expenditures of \$410,500 are for Runway 2/20 Design Work FLAG.

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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Other budgeted projects include Airport Master Plan Update \$400,000, Warehouse sprinkler system \$350,000 and various other smaller projects.

The District policy relating to the designation of unrestricted net position was reviewed and revised in June of 2021; the policy will be a tool for communicating the Board's plans for the accumulated net position of the District.

The Truckee Tahoe Airport District is constantly striving to be an excellent example of local agency government. With the continued contributions from staff, Directors, and community members, it will remain a valuable community asset long into the future. Planning that is being accomplished through the various capital asset management plans and the airport master plan will assist the District as it strives to meet its strategic objectives and accomplish its mission statement.



## **BASIC FINANCIAL STATEMENTS**

# TRUCKEE TAHOE AIRPORT DISTRICT

## STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 5,442,326	\$ 5,852,550
Investments	500,000	500,000
Accounts receivable	36,967	157,645
Property taxes receivable	3,759,456	3,523,438
Interest receivable	5,286	13,889
Inventory	152,123	58,711
Prepaid expenses and deposits	220,331	196,545
Total current assets	<u>10,116,489</u>	<u>10,302,778</u>
Non-current Assets		
Investments	1,000,000	1,000,000
Non-current receivable	35,600	35,600
Capital assets, net	<u>58,934,576</u>	<u>56,134,787</u>
Total non-current assets	<u>59,970,176</u>	<u>57,170,387</u>
Total assets	<u>70,086,665</u>	<u>67,473,165</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources relating to pensions (note 5)	<u>878,727</u>	<u>440,064</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	554,933	838,743
Accrued expenses	111,860	78,728
Interest payable	86,894	90,898
Note payable - current portion	393,208	380,225
Unearned revenue	270,674	292,839
Deposits	236,116	234,530
Compensated absences	487,131	468,023
Total current liabilities	<u>2,140,816</u>	<u>2,383,986</u>
Non-current Liabilities		
Net pension liability	1,605,634	2,937,988
Note payable - non-current portion	<u>6,391,721</u>	<u>6,784,928</u>
Total non-current liabilities	<u>7,997,355</u>	<u>9,722,916</u>
Total liabilities	<u>10,138,171</u>	<u>12,106,902</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources relating to pensions (note 5)	<u>1,704,764</u>	<u>296,493</u>
<b>NET POSITION</b>		
Net Investment in capital assets	52,149,647	48,969,634
Unrestricted	<u>6,972,810</u>	<u>6,540,200</u>
Total net position	<u>\$ 59,122,457</u>	<u>\$ 55,509,834</u>

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Hangar rentals, net of sales discounts of \$231,192 for 2021 and \$252,675 for 2020	\$ 1,629,136	\$ 1,551,656
Airside operating revenues, net of cost of sales of \$2,172,305 for 2021 and \$1,533,711 for 2020	2,484,989	2,187,532
Warehouse	257,626	220,736
Other rentals	<u>639,211</u>	<u>618,970</u>
Total operating revenues	<u>5,010,962</u>	<u>4,578,894</u>
<b>OPERATING EXPENSES</b>		
Salaries and wages	2,642,894	2,584,446
Employee benefits	1,374,616	1,339,999
General and administrative	5,718,691	3,550,975
Repairs and maintenance	855,059	1,277,388
Depreciation	<u>2,357,692</u>	<u>2,500,403</u>
Total operating expenses	<u>12,948,952</u>	<u>11,253,211</u>
Operating income (loss)	<u>(7,937,990)</u>	<u>(6,674,317)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property taxes	7,723,805	7,283,915
Interest income	34,156	90,711
Federal operating grant	3,981,442	1,297,045
Interest expense	(244,130)	(255,456)
Gain (loss) on disposal of assets	<u>55,340</u>	<u>6,568</u>
Total nonoperating revenue (expense)	<u>11,550,613</u>	<u>8,422,783</u>
<b>Change in net position</b>	3,612,623	1,748,466
Net position, Beginning of year	<u>55,509,834</u>	<u>53,761,368</u>
Net position, End of year	<u>\$ 59,122,457</u>	<u>\$ 55,509,834</u>

# TRUCKEE TAHOE AIRPORT DISTRICT

## STATEMENT OF CASH FLOWS

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Cash receipts from customers	\$ 5,111,061	\$ 4,387,856
Payments to suppliers	(6,958,944)	(4,307,404)
Payments on behalf of employees	(4,343,830)	(3,619,924)
Net cash provided (used) by operating activities	(6,191,713)	(3,539,472)
Cash flows from noncapital financing activities:		
Receipt of property taxes	7,487,787	7,109,777
Interest expense	(244,130)	(232,167)
Payments of long term debt	(384,228)	(414,324)
Net cash provided by noncapital financing activities	6,859,429	6,463,286
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,102,141)	(4,407,633)
Receipt of FAA and State of California grants	3,981,442	1,506,349
Net cash provided (used) by capital and related financing activities	(1,120,699)	(2,901,284)
Cash flows from investing activities:		
Interest income received	42,759	118,311
Cash used for purchase of investments	(750,000)	(1,250,000)
Cash received for sale of investments	750,000	1,000,000
Net cash provided (used) by investing activities	42,759	(131,689)
Increase (decrease) in cash and cash equivalents	(410,224)	(109,159)
Beginning cash and cash equivalents	5,852,550	5,961,709
Ending cash and cash equivalents	\$ 5,442,326	\$ 5,852,550
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (7,937,990)	\$ (6,674,317)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,357,692	2,500,403
Decrease (increase) in:		
Accounts receivable	120,676	(129,218)
Inventory	(93,412)	51,421
Prepaid expenses and deposits	(23,786)	(44,617)
Deferred outflows of resources	(438,663)	(5,720)
Increase (decrease) in:		
Accounts payable	(283,810)	498,259
Accrued expenses	33,132	19,414
Unearned revenue	(22,165)	(85,062)
Deposits	1,586	23,240
Compensated absences	19,108	78,706
Deferred inflows of resources	1,408,271	(16,802)
Net pension liability	(1,332,352)	244,821
Net cash provided (used) by operating activities	\$ (6,191,713)	\$ (3,539,472)

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ORGANIZATION**

The Truckee Tahoe Airport District (the “District”) was established by vote of the District electorate on May 12, 1958, in accordance with the California Airport District Act. The District operates under an elected Board of Directors and provides aviation services for the Truckee and North Lake Tahoe areas.

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The Board of Directors is the level of government which has governance responsibilities over all activities related to operations of the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board, since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

**B. BASIS OF PRESENTATION**

Enterprise Fund

The financial statements of the District consist only of an enterprise fund. The District has no oversight responsibility for any other government entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

Operating Revenues

For financial statement presentation purposes, transactions deemed by management to be ongoing, major, or central to the operation of the airport are reported as operating revenues and expenses. Peripheral or incidental transactions, including tax revenues, investment income, certain grant revenue and interest expenses are reported as nonoperating revenues and expenses.

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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#### **B. BASIS OF PRESENTATION (continued)**

##### Capital Assets

Capital assets are those assets purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using the straight-line method over 3 – 48 years depending on asset types.

##### Net Position

Net Position represents the District's financial and capital resources, and is calculated as the difference between assets and liabilities. Net position is represented in three components:

Net investment in capital assets: Capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any debt that is attributable to acquisition, construction and improvement of capital assets.

Restricted: Assets whose use is subject to constraints imposed externally by creditors, grantors, contributors, or laws and regulations of other governments, or are imposed externally by law through constitutional provisions or enabling legislation.

Unrestricted: Net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### **C. USE OF ESTIMATES**

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on management's informed estimates and judgments, with consideration given to materiality. Actual results could differ from those amounts.

#### **D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

##### Economic Resources Measurement Focus

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with the District's activities are reported.

**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**E. CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Net Position, the District considers all short-term, highly liquid investments, including restricted assets, cash in banks and cash in the Local Agency Investment Fund to be cash and cash equivalents. Investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**F. INVESTMENTS**

The Certificates of Deposit held are classified as held-to-maturity investments as the District's management has no intention to sell the investments before their maturity date. The investments are valued at their amortized cost basis, which approximates their fair value.

**G. PROPERTY TAX**

The District receives property taxes to support its operations. The property tax year runs from July 1 through June 30 of the following year. Secured property taxes are levied as an enforceable lien on property as of the first Monday in March. Taxes are payable in two installments, on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The counties of Placer and Nevada bill and collect the taxes for the District. The District accrues property tax revenues throughout its fiscal year based on estimated allocations received from the counties. At the end of each property tax year the actual receipts are reconciled to amounts accrued and adjustments made to the revenue accounts. Property tax revenues for the year ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Placer County	\$ 5,347,348	\$ 5,064,806
Nevada County	<u>2,376,457</u>	<u>2,219,109</u>
Total	<u>\$ 7,723,805</u>	<u>\$ 7,283,915</u>

**H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

#### 2. CASH AND INVESTMENTS

##### CASH

A summary of cash and investments held by the District at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
<b>Cash and Cash Equivalents:</b>		
Cash on Hand	\$ 1,000	\$ 1,000
Cash on Deposit at Banks	(46,317)	636,713
Local Agency Investment Fund	<u>5,487,643</u>	<u>5,214,837</u>
	<u>\$ 5,442,326</u>	<u>\$ 5,852,550</u>

##### Deposits - Custodial Credit Risk

The carrying amount of the District's bank accounts was (\$46,317) and the bank balance was \$887,580 at December 31, 2021. Deposits held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All cash held by financial institutions at December 31, 2021 and 2020 was fully insured or collateralized.

##### Pooled Funds:

The District is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The District's investment in this pool is reported in the accompanying financial statements at cost, which approximates fair value. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the District with twenty-four hours notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.



**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**2. CASH AND INVESTMENTS (Continued)**

Pooled Funds:

LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

Restricted Cash:

Restricted cash is held in the Placer County Treasurer's Investment Portfolio for the purpose of construction of a new Executive Hangar for which a loan was secured (See note 4).

Cash in Placer County Treasury consist of cash deposited in the interest-bearing Placer County Treasurer's Investment Portfolio. Investments are recorded at cost, which approximates fair value. Because Truckee Tahoe Airport District's deposits are maintained in a recognized pooled investment fund under the care of a third party and Truckee Tahoe Airport District's share of the pool does not consist of specific, identifiable investment securities owned by Truckee Tahoe Airport District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. The Truckee Tahoe Airport District's deposits in the Fund are considered to be highly liquid although are restricted for the specific purpose of construction of a new Executive Hangar.

As permitted under applicable state laws, the Placer County Treasurer may invest in derivative securities. However, at December 31, 2021, the Placer County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

**INVESTMENTS**

Pursuant to the District's investment policy, and in accordance with California Government Code, the following investments are authorized:

- United States Treasury Bills, Bonds and Notes
- Obligations issued by Agencies of the United States Government
- Federal Deposit Insurance Corporation insured or fully collateralized Certificates of Deposit
- California Local Agency Investment Fund

The District's Investments are recorded at fair value at December 31, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
<b>Investments:</b>		
Certificates of Deposits	\$ 1,500,000	\$ 1,500,000

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**2. CASH AND INVESTMENTS (Continued)**

The Certificates of Deposit mature as follows:

Year Ended <u>December 31</u>	<u>Amount</u>
2022	\$ 500,000
2023	250,000
2024	750,000
Total	<u>\$ 1,500,000</u>

Interest Rate Risk

The District has a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2021 and 2020, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

The District has a formal investment policy that limits its investment choices within the limitations of State law.

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At December 31, 2021 and 2020, the District had no concentration of credit risk.

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at December 31, 2021 are as shown below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments:</b>				
Certificates of Deposits	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

### 3. PROPERTY AND EQUIPMENT

Property, plant and equipment is stated at cost for those items that were purchased and at appraised values as of the date of receipt for those items that were received as gifts.

Capital asset activity for the year ended December 31, 2021 and 2020, are as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Property not depreciated:				
Land and Easements	\$ 14,966,105	\$ -	\$ -	\$ 14,966,105
Construction In Progress	3,347,200	3,292,539	(50,970)	6,588,769
Total Property not Depreciated	18,313,305	3,292,539	(50,970)	21,554,874
Subject to depreciation:				
Land Improvements	27,010,497	209,311	-	27,219,808
Buildings and Improvements	34,694,947	-	-	34,694,947
Equipment	7,794,402	1,241,394	(4,150)	9,031,646
Total Property Being Depreciated	69,499,846	1,450,705	(4,150)	70,946,401
Less accumulated depreciation:				
Land Improvements	(17,376,505)	(997,698)	-	(18,374,203)
Buildings and Improvements	(11,475,835)	(1,102,526)	-	(12,578,361)
Equipment	(5,017,895)	(400,179)	4,150	(5,413,924)
Total Property Being Depreciated	(33,870,235)	(2,500,403)	4,150	(36,366,488)
Total Property and Equipment Being Depreciated, net	35,629,611	(1,049,698)	-	34,579,913
Property and Equipment, net	\$ 53,942,916	\$ 2,242,841	(50,970)	\$ 56,134,787

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Property not depreciated:				
Land and Easements	\$ 14,966,105	\$ -	\$ -	\$ 14,966,105
Construction In Progress	6,588,769	4,281,550	(5,012,898)	5,857,421
Total Property not Depreciated	21,554,874	4,281,550	(5,012,898)	20,823,526
Subject to depreciation:				
Land Improvements	27,219,808	1,906,514	-	29,126,322
Buildings and Improvements	34,694,947	2,459,010	-	37,153,957
Equipment	9,031,646	1,523,305	(261,325)	10,293,626
Total Property Being Depreciated	70,946,401	5,888,829	(261,325)	76,573,905
Less accumulated depreciation:				
Land Improvements	(18,374,203)	(883,340)	-	(19,257,543)
Buildings and Improvements	(12,578,361)	(1,058,596)	-	(13,636,957)
Equipment	(5,413,924)	(415,756)	261,325	(5,568,355)
Total Property Being Depreciated	(36,366,488)	(2,357,692)	261,325	(38,462,855)
Total Property and Equipment Being Depreciated, net	34,579,913	3,531,137	-	38,111,050
Property and Equipment, net	\$ 56,134,787	\$ 7,812,687	\$ (5,012,898)	\$ 58,934,576

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

#### 4. NOTE PAYABLE

As of December 31, 2021 and 2020 long-term debt consisted of the following:

	2021	2020
Beginning Balance	\$ 7,165,153	\$ 7,109,860
Borrowings	-	390,973
Payments	380,224	335,680
Ending Balance	6,784,929	7,165,153
Due Withing One Year	393,208	380,225
Long Term Portion	<u>\$ 6,391,721</u>	<u>\$ 6,784,928</u>

Truckee Tahoe Airport District secured a twenty year note payable to a bank, dated August 8, 2017, payable in 20 yearly installments of \$549,000, including interest at 3.5% to fund the building of a new executive hangar. The balance at December 31, 2021 is \$6,519,299.

Truckee Tahoe Airport District entered into a purchasing agreement for a vehicle in May 2020 for \$390,972 payable in 34 monthly payment of \$7,441 with the final payment of \$155,681 due in 2023. The agreement includes interest at 3.04998% and has a balance due at December 31, 2021 of \$265,630.

Future annual principle payments are estimated as follows:

December 31	Principal	Interest	Total
2022	\$ 393,208	\$ 235,132	\$ 628,340
2023	505,046	219,447	724,493
2024	333,013	206,034	539,047
2025	344,669	194,378	539,047
2026	356,732	182,315	539,047
2027-2031	1,979,919	715,317	2,695,236
2032-2036	2,351,523	343,713	2,695,236
2037	520,819	18,229	539,048
	<u>\$ 6,784,929</u>	<u>\$ 2,114,564</u>	<u>\$ 8,899,493</u>

#### 5. EMPLOYEE RETIREMENT PLAN

##### A. Plan Description

All qualified permanent and probationary employees are eligible to participate in Truckee Tahoe Airport District's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Truckee Tahoe Airport District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

#### A. Plan Description (Continued)

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at December 31, 2021, are summarized as follows:

Hire date	Prior to July 29, 2012	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.09% - 2.41%	1.0% - 2.5%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	14.194%	8.794%	7.732%

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

#### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2021 and 2020, the Truckee Tahoe Airport District reported net pension liabilities for its proportionate share of the net pension liability of \$1,605,634 and \$2,937,988 respectively.

Truckee Tahoe Airport District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. Truckee Tahoe Airport District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 was as follows:

**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

<u>Measurement Date</u>	<u>Fiscal Year</u>	<u>CalPERS</u>
Proportion - June 30, 2020	2020	0.06965%
Proportion - June 30, 2021	2021	0.08456%
Change - Increase (Decrease)		0.01491%

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$267,947 and \$374,002, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 610,629	\$ -
Difference between projected and actual experience	180,055	-
Difference in actual vs. projected contributions	-	303,131
Change in proportion	88,043	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	1,401,633
Total	<u>\$ 878,727</u>	<u>\$ 1,704,764</u>

\$610,629 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Total Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (366,952)
2023	(341,455)
2024	(340,920)
2025	(387,339)
2026	-
Thereafter	-
Total	<u>\$ (1,436,666)</u>

**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

**December 31, 2020**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 103,349	\$ -
Difference between projected and actual experience	151,403	-
Difference in actual vs. projected contributions	-	275,460
Change in proportion	98,034	78
Changes in assumptions	-	20,955
Net differences between projected and actual earnings on plan investments	87,278	-
Total	\$ 440,064	\$ 296,493

\$103,349 reported as deferred outflows of resources related to contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Measurement Period Ended <u>June 30</u></b>	<b>Total Deferred Outflows/(Inflows) of Resources</b>
2021	\$ (50,049)
2022	9,737
2023	38,674
2024	41,861
2025	-
Thereafter	-
Total	\$ 40,223

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

#### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the CalPERS Experience Study for the period from 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period



**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

– The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 3,302,918	\$ 1,605,634	\$ 202,513

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**C. Payable to the Pension Plan**

The District had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

**6. DEFERRED COMPENSATION PLAN**

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

It is the District’s position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan’s resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

**TRUCKEE TAHOE AIRPORT DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**7. COMPENSATED ABSENCES**

The District offers certain qualifying employees paid vacation, sick and holiday leave. Changes in obligations for vacation, sick and holiday leave at December 31, 2021 and 2020, are as follows:

	December 31, 2020	Net Change	December 31, 2021	Due Within One Year
Accrued Vacation	\$ 187,362	\$ 52,781	\$ 240,143	\$ 240,143
Accrued Sick Leave	237,746	(39,604)	198,142	198,142
Accrued Holiday Leave	42,915	5,931	48,846	48,846
Total	<u>\$ 468,023</u>	<u>\$ 19,108</u>	<u>\$ 487,131</u>	<u>\$ 487,131</u>
	December 30, 2019	Net Change	December 31, 2020	Due Within One Year
Accrued Vacation	\$ 161,155	\$ 26,207	\$ 187,362	\$ 187,362
Accrued Sick Leave	195,200	42,546	237,746	237,746
Accrued Holiday Leave	32,962	9,953	42,915	42,915
Total	<u>\$ 389,317</u>	<u>\$ 78,706</u>	<u>\$ 468,023</u>	<u>\$ 468,023</u>

**8. UNRESTRICTED NET POSITION**

The District has designated unrestricted net position as follows as of December 31, 2021 and 2020:

	2021	2020
Debt retirement	\$ 533,070	\$ 500,000
Pavement Maintenance Capital Reserve	1,066,150	1,000,000
Facility Maintenance Reserve	533,070	400,000
Forest Management Reserve	319,840	300,000
General Fund Operating Contingency	1,588,770	1,090,200
Large Capital Project	1,066,150	1,500,000
Annoyance Reduction / Outreach Reserve	533,070	500,000
Land Acquisition	1,066,150	1,000,000
Rolling Stock Reserve	266,540	250,000
Total	<u>\$ 6,972,810</u>	<u>\$ 6,540,200</u>

**9. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For workers' compensation insurance, the District has joined together with other special districts within the State of California to form a Joint Powers Authority, the Special District Risk Management Authority (SDRMA).

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

#### 9. RISK MANAGEMENT (CONTINUED)

SDRMA is governed by a Board consisting of representatives from member agencies. The Board controls the operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available from SDRMA. Condensed information for SDRMA for the year ended June 30, 2021 is as follows:

	<u>SDRMA</u> <u>June 30, 2021</u>
Total Assets	\$ 139,860,914
Deferred Outflows of Resources	606,052
Total Assets & Deferred Outflows	<u>\$ 140,466,966</u>
Total Liabilities	\$ 73,886,665
Deferred Inflows of Resources	237,014
Total Net Position	<u>66,343,287</u>
Total Liabilities, Deffered Inflows & Net Position	<u>\$ 140,466,966</u>
Total Revenues	\$ 84,001,505
Total Expenses	78,600,852
Change in Net Position	<u>\$ 5,400,653</u>

#### 10. JOINT VENTURE

The District is a member of Truckee Tahoe Workforce Housing Agency (Agency) under a Joint Powers Agreement (JPA) that was effective November 6, 2019. The purpose of the Agency is to support and promote the development of workforce housing for Members within the jurisdiction of the Agency. The Agency may plan, acquire, develop, finance, create, contract for, or own workforce housing for Member employees and support housing programs that provide workforce housing to Member employees. Currently the Agency has four members. The District paid a membership contribution of \$5,634 and \$30,000 to the Agency in 2021 and 2020, respectively. Condensed information for the Agency for the year ended June 30, 2021 is as follows:

	<u>Agency</u> <u>June 30, 2021</u>
Total Assets	<u>\$ 106,798</u>
Total Liabilities	\$ 9,328
Total Net Position	<u>97,470</u>
Total Liabilities & Net Position	<u>\$ 106,798</u>
Total Revenues	\$ 300,000
Total Expenses	<u>202,530</u>
Change in Net Position	<u>\$ 97,470</u>

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**11. COMMITMENTS AND CONTINGENCIES**

The District has entered into contractual agreements for the various capital projects currently under construction. The remaining commitments on these contracts are approximately \$5,877,761 and \$6,627,879 at December 31, 2021 and 2020, respectively.

As of December 31, 2021, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

**12. LAND USAGE AGREEMENT**

In June 2008, the District purchased the Ponderosa Golf Course, an operating golf course located in the airport's flight path, for approximately \$3,180,000. The land and facilities were immediately leased to the Truckee Donner Recreation and Park District ("TDRPD") and accompanying operational equipment was sold to TDRPD for a nominal fee. As long as TDRPD operates the property for recreational purposes and in compliance with the associated conservation easement, annual rent will be waived by the District. As of December 31, 2021 and 2020, TDRPD operated the property as a golf course and is in compliance with the lease agreement.

**13. DISPOSAL OF ASSETS**

There was a gain of \$55,340 and \$6,568 as of December 31, 2021 and 2020, respectively, due to the disposal of fixed assets that had not been fully depreciated at the time of disposition.

**14. SUBSEQUENT EVENTS**

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended December 31, 2021 through May 18, 2022, the date the financial statements were issued. Management is not aware of any other subsequent events that would require recognition or disclosure in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TRUCKEE TAHOE AIRPORT DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2017 *</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021 <sup>(1)</sup></u>
Proportion of the net pension liability	0.05277%	0.06220%	0.06372%	0.06518%	0.06725%	0.06965%	0.08456%
Proportionate share of the net pension liability	\$ 1,304,288	\$ 1,706,562	\$ 2,512,031	\$ 2,456,512	\$ 2,693,169	\$ 2,937,988	\$ 1,605,634
Covered-employee payroll <sup>(2)</sup>	\$ 1,285,894	\$ 1,886,199	\$ 2,180,008	\$ 1,891,379	\$ 2,193,506	\$ 2,229,474	\$ 2,234,958
Proportionate share of the net pension liability as percentage of covered-employee payroll	101.43%	90.48%	115.23%	129.88%	122.78%	131.78%	71.84%
Plans fiduciary net position as a percentage of the total pension liability	83.03%	79.89%	79.89%	77.69%	77.73%	77.71%	90.49%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 172,553	\$ 167,988	\$ 214,090	\$ 296,909	\$ 111,492	\$ 554,495	\$ 475,830

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>(2)</sup> Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

<sup>(3)</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

\* The District switched from a September 30 year end to December 31 year end so the CalPERS report with the measurement date June 30, 2016 was not

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	Fiscal Year <sup>(1)</sup>						
	2013-14	2014-15	2016-17*	2017-18	2018-19	2019-20	2020-21
Actuarially Determined Contribution (2)	\$ 185,517	\$ 223,458	\$ 141,408	\$ 275,507	\$ 103,111	\$ 206,475	\$ 233,120
Contributions in relation to the actuarially determined contributions (2)	<u>(185,517)</u>	<u>(167,988)</u>	<u>(214,090)</u>	<u>(296,909)</u>	<u>(356,536)</u>	<u>(411,283)</u>	<u>(442,463)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 55,470</u>	<u>\$ (72,682)</u>	<u>\$ (21,402)</u>	<u>\$ (253,425)</u>	<u>\$ (204,808)</u>	<u>\$ (209,343)</u>
Covered-employee payroll (3,4)	\$ 1,285,894	\$ 1,886,199	\$ 2,180,008	\$ 1,891,379	\$ 2,193,506	\$ 2,229,474	\$ 2,234,958
Contributions as a percentage of covered-employee payroll (3)	14.43%	11.85%	6.49%	14.57%	4.70%	9.26%	10.43%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

(4) Payroll from prior year was assumed to increase by the 3.00 percent payroll growth assumption.

\* The District switched from a September 30 year end to December 31 year end so the CalPERS report with measurement date June 30, 2016 was not used

# TRUCKEE TAHOE AIRPORT DISTRICT

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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#### PURPOSE OF SCHEDULES

##### **A – Schedule of the District’s Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

##### Changes in Assumption

There were no changes in assumption since the previous valuation for CalPERS

##### Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for CalPERS.

##### **B – Schedule of Pension Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



## **SUPPLEMENTARY INFORMATION**

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
Airport Improvement Program	20.106	3-06-0262-037	* \$ 185,082
Airport Improvement Program	20.106	3-06-0262-040	* <u>3,796,360</u>
			<u>\$ 3,981,442</u>

\* Tested as major program

## **OTHER AUDITOR'S REPORTS**



## James Marta & Company LLP

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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### 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*

#### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Truckee Tahoe Airport District  
Truckee, California

We have audited the financial statements of Truckee Tahoe Airport District (the "District"), as of December 31, 2021 and 2020 and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated May 18, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

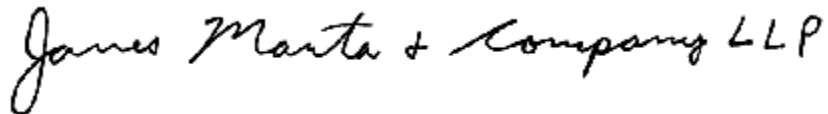
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

## **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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 18, 2022



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting and Tax*

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Truckee Tahoe Airport District  
Sacramento, California

**Report on Compliance for Each Major Federal Program**

We have audited Truckee Tahoe Airport District's (the "District") compliance with the types of compliance requirements described in the July 2021 *OMB Compliance Supplement and the 2021 Compliance Supplement Addendum* that could have a direct and material effect on each of the District's major federal programs for the years ended December 31, 2021 and 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the July 2021 Editions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*, and the *2021 Compliance Supplement Addendum*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2021 and 2020.

## **Internal Control Over Compliance**

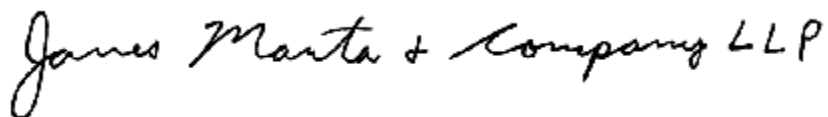
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 18, 2022

## **FINDINGS AND RECOMMENDATIONS**



**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section I – Summary of Audit Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None reported

Noncompliance material to financial statements noted?

	_____	Yes	_____ <u>X</u> _____	No
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**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a)?

	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

_____ CFDA Number(s) _____	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ No

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section II – Financial Statement Findings**

No matters were reported.

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**SCHEDULE OF PRIOR YEAR RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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No matters were reported.