JAMES MARTA & CO. LLP

701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 993-9494
(916) 993-9489 FAX

WWW.JPMCPA.COM

TRUCKEE TAHOE AIRPORT DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED

DECEMBER 31, 2024 AND 2023

TRUCKEE TAHOE AIRPORT DISTRICT

DECEMBER 31, 2024

BOARD OF DIRECTORS

Rick Stephens – President

Kathryn Rohlf – Vice President

Mary Hetherington – Director

David Diamond – Director

Teresa O'Dette – Director

* * * *

General Manager
Robb Etnyre

TRUCKEE TAHOE AIRPORT DISTRICT

DECEMBER 31, 2024

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Notes to the Basic Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability	30
Schedule of Pension Contributions	31
Notes to the Required Supplementary Information	32
OTHER INDEPENDENT AUDITOR'S REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	33
FINDINGS AND RECOMMENDATIONS	
Schedule of Findings and Questioned Costs	35
Schedule of Prior Year Recommendations	37

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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, 2024 **and 2023** 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, 2024 **and 2023** 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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

<u>Other Matters</u>

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.

Emphasis of Matter

As discussed in Note 1G to the financial statements, the district has elected to change its method of accounting for reporting property tax revenue in 2024. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025 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.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
May 27, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

TRUCKEE TAHOE AIRPORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024. 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 $2.78 million on December 31, 2023 to $2.16 million on December 31, 2024.
- In the calendar year ended December 31, 2024, the District's operating revenues increased $109k (1.9%) over the prior fiscal year. This is primarily due to increased landing fee revenue as well as overnight tiedowns and auto parking.
- The district received funding through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants in the amount of $66,186 as a final draw to finish AIP Project 046-Runway 2/20 Reconstruction and associated runway lighting.
- For 2024, a change in accounting practice was instituted to record the revenue as it is received instead of accrual based on the county's fiscal year. This change reflected a decrease on the beginning net position but will now follow the budget and will show more accurately in fiscal year 2025. Actual payments from both counties totaled $9,266,501, 0.57% increase from 2023.
- The district's annualized personnel costs decreased by 7.5% overall compared to 2023. Salaries and Wages increased by 8.90% due primarily to annual Cost of Living Allowance (COLA) and merit increases. There is a year-end adjustment relating to GASB 68 that decreases the PERS liability by $613k based on the annual actuarial report and calculation.
- Operating, general and administrative annualized expenses were up 26.2% over the prior year. The increase was primarily due to Agency Partnerships & Community Sponsorships and increased property insurance premium that was replaced in the first quarter of 2025.
- Repair and maintenance annualized expenses were up from the prior fiscal year by 8.4%. The district caught up on some needed hangar repairs, various building maintenance, equipment repair and runway lighting.

Due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. The district's net position is $67 million. The district has designated the unrestricted net position for future capital projects and contingencies.

OPERATIONAL HIGHLIGHTS

- During the twelve-month year ended December 31, 2024, Fixed Base Operator (FBO) revenues were up 2.8% compared to 2023 due to pricing increases. Jet A/SAF sales were down $29,616 (0.9%) over 2023 but up 11.2% in gallons sold. 100LL sales were up $14,160 (2.5%) over 2023 and up 19.9% in gallons sold. Net airside revenue was up 2.8% from the previous year primarily due to increased landing fees, overnight tie downs and auto parking.
- The district saw a decrease in hangar revenue of $53,469 (2.5%) compared to 2023 due to winter hangar damage repairs that resulted in tenant displacement for repairs and associated credits.
- Other business leases were up 15.4% due to increased Warehouse Office Building (WOB) Common Area Maintenance revenue.
- Truckee Tahoe Airport completed its transition to blended Sustainable Aviation Fuel (SAF) in July 2023. This multi-year initiative supported the reduction of Scope 3 Category 11 emissions (use of sold products) and is often recognized as one of the largest, most challenging, and costly targets for reducing emissions in the aviation industry. In 2024, the only jet fuel option was SAF, and the

gallons sold were up by 48,764 compared to 2023, an increase of 11.2%. In 2023, they launched their fleet electrification initiative, purchasing two electric vehicles to support various airport operations, subsequently reducing their Scope 1 emissions. 2024 brought two more electric vehicles, the completion of the electric vehicle charging station and two electric ground power units. They transitioned from self-service fueling to full-service (at no additional cost to tenants), which provides fuel to the aircraft where they are parked, eliminating the need to spend fuel taxiing to and from the self-serve pumps.

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, 2024, and December 31, 2023. 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, 2024, 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.

FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

The district's net position on December 31, 2024, totaled $67,218,331 compared with $66,194,326 on December 31, 2023. 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, 2024	Restated December 31, 2023	Increase (Decrease)	Percent Change	December 31, 2022
Assets:					
Cash and Equivalents	$ 6,890,763	$ 10,449,151	$ (3,558,388)	-34.1%	$ 8,724,327
Other Current Assets	4,799,524	1,172,546	3,626,978	309.3%	4,971,724
Total Current Assets	11,690,287	11,621,697	68,590	0.6%	13,696,051
Investments	250,000	1,250,000	(1,000,000)	-80.0%	1,250,000
Noncurrent Receivable	35,600	35,600	-	0.0%	35,600
Net Capital Assets	64,204,684	62,697,675	1,507,009	2.4%	57,292,680
Total Assets	76,180,571	75,604,972	575,599	0.8%	72,274,331
Deferred Outflows	1,008,672	1,418,761	(410,089)	-28.9%	1,542,936
Liabilities:					
Current Liabilities	1,729,299	1,545,175	184,124	11.9%	1,832,872
Long Term Liabilities	7,378,337	8,336,110	(957,773)	-11.5%	8,937,808
Total Liabilities	9,107,636	9,881,285	(773,649)	-7.8%	10,770,680
Deferred Inflows	863,276	948,122	(84,846)	-8.9%	845,765
Net Position					
Invested in Capital Assets, Net	58,651,023	56,811,000	1,840,023	3.2%	50,900,959
Unrestricted	8,567,308	9,383,326	(816,018)	-8.7%	11,299,863
Total Net Position	$ 67,218,331	$ 66,194,326	$ 1,024,005	1.55%	$ 62,200,822

The December 31, 2024 cash and cash equivalents balance decreased $3,558,388 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, as well as CalClass. 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 the district's assets.

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. The Board approved allocation of $8.5 million of unrestricted net assets is as follows: 22% Replacement Reserve Fund, 17% Property Tax Fund for Community Benefit, 26% Property Tax Fund for Airport Operations, and 35% Airport Operating Fund. These breakdowns are based on the board approved categories/percentages from the Q1 2024 Board workshop. 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, 2024	Restated Year Ended December 31, 2023	Increase (Decrease)	Percent Change	Year ended December 31, 2022
Net Operating Revenues:	$ 5,929,768	$ 5,819,976	$ 109,792	1.9%	$ 5,622,895
Operating Expenses, Net of Depreciation	(11,658,305)	(10,257,216)	(1,401,089)	13.7%	(9,513,963)
Operating Loss before Depreciation	(5,728,537)	(4,437,240)	(1,291,297)	29.1%	(3,891,068)
Depreciation Expense	(2,972,401)	(2,621,467)	(350,934)	13.4%	(2,635,954)
Net Operating Loss	(8,700,938)	(7,058,707)	(1,642,231)	23.3%	(6,527,022)
Nonoperating Income:					
Property Tax Revenue	9,596,457	9,213,945	382,512	4.2%	8,507,022
Gain (Loss) on Disposal of Assets	(262,398)	43,319	(305,717)	-705.7%	272,375
Grant Revenues-Capital/Operating	66,186	5,890,479	(5,824,293)	-98.9%	973,530
Interest Expense	(127,572)	(215,158)	87,586	-40.7%	(230,991)
Interest and Other Nonoperating Income	452,270	394,637	57,633	14.6%	83,451
Total Non operating Income	9,724,943	15,327,222	(5,602,279)	-36.6%	9,605,387
Change in Net Position	1,024,005	8,268,515	(7,244,510)	-87.6%	3,078,365
Change in Accounting Principle	-	(4,275,011)	4,275,011	0.0%	$ -
Net Position, Beginning-Restated	66,194,326	57,925,811	8,268,515	14.3%	59,122,457
Net Position, Ending	$ 67,218,331	$ 66,194,326	$ 1,024,005	1.5%	$ 62,200,822

Operating expenses, net of depreciation, increased $1,401,089 or 13.7%, 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 of maintaining the district's high value infrastructure. The two largest item increases referenced in the Financial Highlights on page 4 include Community/Agency partnerships and Property Insurance. The district continues to work with its pavement management program to keep the Airport's pavement in good condition. In 2024, the district received a final grant payment of $66,186, and the Runway 2/20 AIP project is now in the closeout process with the ADO. Property tax revenues were up 4.2%. For 2024, a change in accounting practice was instituted to record the revenue as it is received instead of accrual based on the counties' fiscal year. This change reflected a decrease in the net position but will now follow the budget and show more accurately in fiscal year 2025. Analysis of the District's Overall Financial Position: The net position decreased $3,251,006 due to the change in accounting principles and decreases in federal grants during the year, and an increase in operating expenses, net of depreciation.

CAPITAL ASSETS

On December 31, 2024, the District had over $64 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, 2024	December 31, 2023	December 31, 2022
Land and Easements	$ 14,966,105	$ 14,966,105	$ 14,966,105
Building and Building Improvements	18,638,616	20,509,600	21,925,023
Land Improvements	15,537,223	15,573,133	11,190,321
Equipment	3,731,409	4,129,328	3,955,474
Construction in Progress	11,331,331	7,519,509	5,255,757
	$ 64,204,684	$ 62,697,675	$ 57,292,680

The net capital asset balance increased $1.5 million during the 2024 fiscal year. That amount includes net capital additions of $4,984,624 offset by $2,972,401 in depreciation expense, and $332,098 in asset deletions. $173,116 of previous construction in progress have been capitalized during the year. The capital additions are detailed in the table below.

Summary of Additions to Capital Assets

Fuel Farm Electrical Upgrade	$ 180,684
EV Charging Station	85,215
Careflight Building Flooring	17,598
2 Electric Ground Power Units	101,632
Admin Building Interior Paint	18,600
New Valve & Fire Hydrant	13,718
2024 Hangar Revitalization	204,951
Hangar Snow Load Monitoring System	130,976
Fuel Farm Drain	47,208
Careflight Generator	14,424
NetSuite Accounting Software	56,526
2023 Ford Lightning F-150	63,004
2023 Ford Lightning F-150	65,151
CIP	3,984,938
Total	$ 4,984,624

FISCAL YEAR 2024 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 2024 budget includes $1.8 million spending on capital projects.

Budgeted projects include $120,000 for fleet vehicle replacements (with electric motors), $450,000 Fuel Pump Skid, $140,000 for two electric ground power units and various smaller projects.

The District policy relating to the designation of unrestricted net position was reviewed and revised in 2023. The policy will be a tool for communicating the Board's plans for the accumulated net position of the district and corresponding reserve strategies.

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.

Currently known facts and conditions that may have a significant effect on financial position

There are no currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Request for Information

Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to:

Truckee Tahoe Airport District
10356 Truckee Airport Rd
Truckee, CA 96161

BASIC FINANCIAL STATEMENTS

TRUCKEE TAHOE AIRPORT DISTRICT

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2024 AND 2023

	2024	Restated 2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 6,890,763	$ 10,449,151
Investments	3,829,474	250,000
Accounts receivable	224,399	298,015
Interest receivable	74,316	101,296
Inventory	198,873	254,408
Prepaid expenses and deposits	472,462	268,827
Total current assets	11,690,287	11,621,697
Non-current Assets		
Investments	250,000	1,250,000
Non-current receivable	35,600	35,600
Capital assets, net	64,204,684	62,697,675
Total non-current assets	64,490,284	63,983,275
Total assets	76,180,571	75,604,972
DEFFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources relating to pensions	1,008,672	1,418,761
LIABILITIES		
Current Liabilities		
Accounts payable	468,119	260,430
Accrued expenses	175,508	111,898
Interest payable	-	78,462
Note payable - current portion	344,669	333,013
Unearned revenue	52,535	58,452
Deposits	238,031	239,629
Compensated absences	450,437	463,291
Total current liabilities	1,729,299	1,545,175
Non-current Liabilities		
Net pension liablity	2,169,344	2,782,448
Note payable - non-current portion	5,208,993	5,553,662
Total non-current liabilities	7,378,337	8,336,110
Total liabilities	9,107,636	9,881,285
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources relating to pensions	863,276	948,122
NET POSITION		
Net Investment in capital assets	58,651,022	56,811,000
Unrestricted	8,567,309	9,383,326
Total net position	$ 67,218,331	$ 66,194,326

The accompanying notes are an integral part of these financial statements.

TRUCKEE TAHOE AIRPORT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	Restated 2023
OPERATING REVENUES		
Hangar rentals, net of sales discounts of $29 for 2024 and $239,496 for 2023	$ 2,094,052	$ 1,902,206
Airside operating revenues, net of cost of sales of $2,904,395 for 2024 and $2,569,111 for 2023	2,827,912	3,014,648
Warehouse	314,066	302,203
Other rentals	693,738	600,919
Total operating revenues	5,929,768	5,819,976
OPERATING EXPENSES		
Salaries and wages	3,369,661	3,094,177
Employee benefits	1,012,464	1,660,378
General and administrative	6,494,601	4,777,566
Repairs and maintenance	781,579	725,095
Depreciation	2,972,401	2,621,467
Total operating expenses	14,630,706	12,878,683
Operating income (loss)	(8,700,938)	(7,058,707)
NONOPERATING REVENUES (EXPENSES)		
Property taxes	9,596,457	9,213,945
Interest income	452,270	283,688
Federal operating grant	66,186	5,890,479
Interest expense	(127,572)	(215,158)
Other nonoperating income	-	110,949
Gain (loss) on disposal of assets	(262,398)	43,319
Total nonoperating revenue (expense)	9,724,943	15,327,222
Change in net position	1,024,005	8,268,515
Net position, Beginning of year, as originally reported	66,194,326	62,200,822
Change in accounting principle (Note 1G)	-	(4,275,011)
Net position, Beginning of year, as restated	66,194,326	57,925,811
Net position, End of year	$ 67,218,331	$ 66,194,326

TRUCKEE TAHOE AIRPORT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Cash receipts from customers	$ 5,995,869	$ 5,449,269
Payments to suppliers	(7,286,754)	(5,599,462)
Payments on behalf of employees	(4,627,529)	(4,721,785)
Net cash provided (used) by operating activities	(5,918,414)	(4,871,978)
Cash flows from noncapital financing activities:		
Receipt of property taxes	9,596,457	9,063,823
Interest expense	(127,572)	(153,413)
Payments of long term debt	(333,013)	(505,046)
Net cash provided by noncapital financing activities	9,135,872	8,405,364
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,479,410)	(8,026,463)
Receipt of FAA and State of California grants	66,186	5,890,479
Proceeds from sale of equipment	(262,398)	43,319
Net cash provided (used) by capital and related financing activities	(4,675,622)	(2,092,665)
Cash flows from investing activities:		
Interest income received	479,250	222,775
Cash used for purchase of investments	(2,579,474)	(1,500,000)
Cash received for sale of investments	-	1,561,328
Net cash provided (used) by investing activities	(2,100,224)	284,103
Increase (decrease) in cash and cash equivalents	(3,558,388)	1,724,824
Beginning cash and cash equivalents	10,449,151	8,724,327
Ending cash and cash equivalents	$ 6,890,763	$ 10,449,151
Reconciliation of operating income (loss) to net cash provided (used)		
by operating activities:		
Operating income (loss)	$ (8,700,938)	$ (7,058,707)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,972,401	2,621,467
Decrease (increase) in:		
Accounts receivable	73,614	(209,361)
Inventory	55,535	(39,397)
Prepaid expenses and deposits	(203,635)	(32,454)
Deferred outflows of resources	410,089	124,175
Increase (decrease) in:		
Accounts payable	207,689	(40,764)
Accrued expenses	63,610	42,503
Unearned revenue	(5,917)	(156,176)
Deposits	(1,598)	(5,172)
Compensated absences	(12,854)	48,234
Deferred inflows of resources	(84,846)	102,357
Net pension liability	(613,102)	(268,683)
Net cash provided (used) by operating activities	$ (5,918,414)	$ (4,871,978)

The accompanying notes are an integral part of these financial statements.

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.

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.

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. Property tax revenues for the year ended December 31, 2024 and 2023 were as follows:

	2024	2023
Placer County	$ 6,667,448	$ 6,295,568
Nevada County	2,929,009	2,918,377
Total	$ 9,596,457	$ 9,213,945

Change in accounting principle

Prior to 2024, the district would estimate and record a property tax receivable based on the county's' fiscal year end. In 2024, the district recorded what was received during the year and had to reverse the receivable for the prior year causing a decrease in reported property tax. The Tahoe Truckee Airport District determined that the enforceable legal claim to property taxes does not arise until the period after the period for which the taxes are levied. Prior to 2024, The district accrued 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. In 2024, The district determined that the enforceable legal claim to property taxes does not arise until the period after the period for which the taxes are levied. To more accurately reflect the amount certain to be received and match the districts budgetary process, the district is recognizing property tax income in the period allocated and received from the counties.

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.

I. FINANCING LEASES

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the district's lease capitalization threshold is met, $1,500,000. Amortization of related assets using the straight-line method over the life of the contract. As of December 31, 2024, the district did not have any financial leases that met the threshold.

J. LEASE REVENUE

A lease is defined as a contract that coveys control of the right to use the District's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term asset and corresponding liability for financial leases are recorded in the financial statements to the extent that the district's lease capitalization threshold is met, $2,400,000. Amortization of related assets using the straight-line method over the life of the contract. As of December 31, 2024, the district did not have any financing leases that met the threshold.

K. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

A SBITA is defined as a contract that coveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the district's capitalization threshold is met, $1,500,000. Amortization of related assets using the straight-line method over the life of the contract. As of December 31, 2024, the district did not have any subscription based information technology agreements that met the threshold.

2. CASH AND INVESTMENTS

CASH

A summary of cash and investments held by the District at December 31, 2024 and 2023 is as follows:

	2024	2023
Cash and Cash Equivalents:		
Cash on Hand	$ 555,744	$ 131
Cash on Deposit at Banks	1,805,970	2,730,860
Local Agency Investment Fund	4,529,049	7,718,160
	$ 6,890,763	$ 10,449,151

Deposits - Custodial Credit Risk

The carrying amount of the District's bank accounts was $1,805,970 and the bank balance was $1,530,593 at December 31, 2024. 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, 2024 and 2023 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.

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.

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, 2024 and 2023 as follows:

	2024	2023
Investments:		
Certificates of Deposits	$ 1,500,000	$ 1,500,000
CalCLASS	2,579,474	-
	$ 4,079,474	$ 1,500,000

The Certificates of Deposit mature as follows:

Year Ended December 31	Amount
2025	$ 3,829,474
2026	250,000
Total	$ 4,079,474

California CLASS

The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (CalCLASS) a Joint Powers Authority investment pool as set forth in Sect. 53601(p) of the California Government Code. The objective of the investment policy is security, liquidity and yield. The District invests in the California CLASS Prime Fund. The 30-day yield at December 31, 2024, was 4.6348% and the weighted average maturity was 30 days.

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2021 are as shown below:

	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of Deposits	$ -	$ 1,500,000	$ -	$ 1,500,000
CalCLASS	$ -	$ 2,579,474	$ -	$ 2,579,474

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, 2024 and 2023, are as follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Property not depreciated:				
Land and Easements	$ 14,966,105	$ -	$ -	$ 14,966,105
Construction In Progress	5,255,757	6,785,049	(4,521,297)	7,519,509
Total Property not Depreciated	20,221,862	6,785,049	(4,521,297)	22,485,614
Subject to depreciation:				
Land Improvements	30,599,697	4,506,068	-	35,105,765
Buildings and Improvements	37,183,166	572,187	-	37,755,353
Equipment	10,210,083	684,455	-	10,894,538
Total Property Being Depreciated	77,992,946	5,762,710	-	83,755,656
Less accumulated depreciation:				
Land Improvements	(19,409,376)	(123,257)	-	(19,532,633)
Buildings and Improvements	(15,258,143)	(1,987,610)	-	(17,245,753)
Equipment	(6,254,609)	(510,600)	-	(6,765,209)
Total Property Being Depreciated	(40,922,128)	(2,621,467)	-	(43,543,595)
Total Property and Equipment Being Depreciated, net	37,070,818	3,141,243	-	40,212,061
Property and Equipment, net	$ 57,292,680	$ 9,926,292	(4,521,297)	$ 62,697,675

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Property not depreciated:				
Land and Easements	$ 14,966,105	$ -	$ -	$ 14,966,105
Construction In Progress	7,519,509	3,984,938	(173,116)	11,331,331
Total Property not Depreciated	22,485,614	3,984,938	(173,116)	26,297,436
Subject to depreciation:				
Land Improvements	35,105,765	98,933	-	35,204,698
Buildings and Improvements	37,755,353	386,549	-	38,141,902
Equipment	10,894,538	514,204	(688,460)	10,720,282
Total Property Being Depreciated	83,755,656	999,686	(688,460)	84,066,882
Less accumulated depreciation:				
Land Improvements	(19,532,633)	(134,843)	-	(19,667,476)
Buildings and Improvements	(17,245,753)	(2,257,533)	-	(19,503,286)
Equipment	(6,765,209)	(580,025)	356,362	(6,988,872)
Total Property Being Depreciated	(43,543,595)	(2,972,401)	356,362	(46,159,634)
Total Property and Equipment Being Depreciated, net	40,212,061	(1,972,715)	(332,098)	37,907,248
Property and Equipment, net	$ 62,697,675	$ 2,012,223	$ (505,214)	$ 64,204,684

4. NOTE PAYABLE

As of December 31, 2024 and 2023 long-term debt consisted of the following:

	2024	2023
Beginning Balance	$ 5,886,675	$ 6,391,721
Payments	333,013	505,046
Ending Balance	5,553,662	5,886,675
Due Withing One Year	344,669	333,013
Long Term Portion	$ 5,208,993	$ 5,553,662

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, 2024 is $5,553,662.

Future annual principle payments are estimated as follows:

December 31	Principal	Interest	Total
2025	$ 344,669	$ 194,378	$ 539,047
2026	356,732	182,315	539,047
2027	369,218	169,829	539,047
2028	382,141	156,906	539,047
2029	395,516	143,532	539,047
2030-2034	1,725,423	430,765	2,156,188
2035-2037	1,979,963	176,226	2,156,189
	$ 5,553,662	$ 1,453,951	$ 7,007,613

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.

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, 2024, 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	8.00%	7.00%	6.75%
Required employer contribution rates	15.95%	10.10%	7.68%

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, 2024 and 2023, the Truckee Tahoe Airport District reported net pension liabilities for its proportionate share of the net pension liability of $2,169,344 and $2,782,448 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, 2024, 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, 2023 rolled forward to June 30, 2024 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

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

District's proportionate share of the net pension liability for the Plan as of December 31, 2024 and 2023 was as follows:

Measurment Date	Fiscal Year	CalPERS
Proportion - June 30, 2023	2023	0.05564%
Proportion - June 30, 2024	2024	0.04485%
Change - Increase (Decrease)		-0.01079%

Measurment Date	Fiscal Year	CalPERS
Proportion - June 30, 2022	2022	0.06521%
Proportion - June 30, 2023	2023	0.05564%
Change - Increase (Decrease)		-0.00957%

For the years ended December 31, 2024 and 2023, the District recognized pension expense of $482,871 and $607,815, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 640,469	$ -
Difference between projected and actual experience	187,560	7,318
Difference in actual vs. projected contributions	-	375,543
Change in proportion	-	480,415
Changes in assumptions	55,757	-
Net differences between projected and actual earnings on plan investments	124,887	-
Total	$ 1,008,672	$ 863,276

$640,469 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, 2025. 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. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Measurement Period Ended June 30	Total Deferred Outflows/(Inflows) of Resources
2025	$ (354,265)
2026	10,295
2027	(108,306)
2028	(42,797)
2029	-
Thereafter	-
Total	$ (495,073)

December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 649,968	$ -
Difference between projected and actual experience	142,142	22,050
Difference in actual vs. projected contributions	-	398,014
Change in proportion	8,158	528,058
Changes in assumptions	167,989	-
Net differences between projected and actual earnings on plan investments	450,504	-
Total	$ 1,418,761	$ 948,122

$649,968 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:

Measurement Period Ended June 30	Total Deferred Outflows/(Inflows) of Resources
2024	$ (219,590)
2025	(186,640)
2026	213,975
2027	12,926
2028	-
Thereafter	-
Total	$ (179,329)

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	2.80%
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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 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 6.90% for the Plan for the measurement date June 30, 2024, and 2023, respectively. 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 6.90 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 6.90 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

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

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.

Asset Class	Assumed Asset Allocation	Real Return
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(a) An expected inflation of 2.30% used for this period
(b) Figures are based on the 2021-2022 Asset Liability Management Study

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:

December 31, 2024

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	$ 4,296,191	$ 2,169,344	$ 418,636

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

December 31, 2023

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	$ 4,775,876	$ 2,782,448	$ 1,141,685

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, 2024 and 2023.

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.

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, 2024 and 2023, are as follows:

	December 31, 2023	Net Change	December 31, 2024	Due Within One Year
Accrued Sick Leave	$ 230,491	$ (14,363)	$ 216,128	$ 216,128
Accrued Vacation	189,330	3,641	192,971	192,971
Accrued Holiday Leave	43,470	(2,132)	41,338	41,338
Total	$ 463,291	$ (12,854)	$ 450,437	$ 450,437

	December 31, 2022	Net Change	December 31, 2023	Due Within One Year
Accrued Sick Leave	$ 200,983	$ 29,508	$ 230,491	$ 230,491
Accrued Vacation	179,440	9,890	189,330	189,330
Accrued Holiday Leave	34,634	8,836	43,470	43,470
Total	$ 415,057	$ 48,234	$ 463,291	$ 463,291

8. UNRESTRICTED NET POSITION

The District has designated unrestricted net position as follows as of December 31, 2024 and 2023:

	2024	2023
Replacement Reserve	$ 1,884,808	$ 3,004,834
Property Tax - Community Benefit	1,456,443	2,321,917
Property Tax - Airport Operations	2,227,500	3,551,168
Airport Operations	2,998,558	4,780,418
Property Acquisition	-	-
Total	$ 8,567,309	$ 13,658,337

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 for a Joint Powers Authority, the Special District Risk Management Authority (SDRMA).

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, 2023 is as follows:

	SDRMA June 30, 2024
Total Assets	$ 162,354,367
Deferred Outflows of Resources	1,620,957
Total Assets & Deferred Outflows	$ 163,975,324
Total Liabilities	$ 784,040,345
Deferred Inflows of Resources	384,924
Total Net Position	(620,449,945)
Total Liabilities, Defferred Inflows & Net Position	$ 163,975,324
Total Revenues	$ 117,816,189
Total Expenses	104,151,026
Change in Net Position	$ 13,665,163

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 $19,345 and $5,170 to the Agency in 2024 and 2023, respectively. Condensed information for the Agency for the year ended June 30, 2024, is as follows:

	Agency June 30, 2024
Total Assets	$ 423,365
Total Liabilities	$ 58,248
Total Net Position	365,117
Total Liabilities & Net Position	$ 423,365
Total Revenues	$ 474,000
Total Expenses	456,793
Change in Net Position	$ 17,207

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 $11,331,331 and $7,519,509 at December 31, 2024 and 2023, respectively.

As of December 31, 2024, 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, 2024 and 2023, TDRPD operated the property as a golf course and is in compliance with the lease agreement.

13. DISPOSAL OF ASSETS

There was a loss of $262,398 and a gain of $43,319 as of December 31,2024 and 2023, 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, 2024 through May 27, 2025, 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 PENTION LIABILITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	June 30, 2015	June 30, 2017 *	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024 (1)
Proportion of the net pension liability	0.06220%	0.06372%	0.06518%	0.06725%	0.08456%	0.08646%	0.06521%	0.05564%	0.04485%
Proportionate share of the net pension liability	$ 1,706,562	$ 2,512,031	$ 2,456,512	$ 2,693,169	$ 2,937,988	$ 1,605,634	$ 3,051,133	$ 2,782,448	$ 2,169,344
Covered-employee payroll (2)	$ 1,886,199	$ 2,180,008	$ 1,891,379	$ 2,193,506	$ 2,229,474	$ 2,234,958	$ 2,337,090	$ 2,456,939	$ 2,924,613
Proportionate share of the net pension liability as percentage of covered-employee payroll	90.48%	115.23%	129.88%	122.78%	131.78%	71.84%	130.55%	113.25%	74.18%
Plans fiduciary net position as a percentage of the total pension liability	79.89%	79.89%	77.69%	77.73%	77.71%	90.49%	78.19%	81.12%	86.24%
Proportionate share of aggregate employer contributions (3)	$ 167,988	$ 214,090	$ 296,909	$ 111,492	$ 554,495	$ 475,830	$ 562,047	$ 497,067	$ 518,809

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

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

(3) The plan's proportionate share of aggregate contributions may not match the actual contribtions 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 used.

TRUCKEE TAHOE AIRPORT DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Fiscal Year (1)								
	2014-15	2016-17*	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution (2)	$ 223,458	$ 141,408	$ 275,507	$ 103,111	$ 206,475	$ 233,120	$ 226,394	$ 219,953	$ 273,470
Contributions in relation to the actuarially determined contributions (2)	(167,988)	(214,090)	(296,909)	(356,536)	(411,283)	(442,463)	(562,047)	(497,067)	(518,809)
Contribution deficiencey (excess)	$ 55,470	$ (72,682)	$ (21,402)	$ (253,425)	$ (204,808)	$ (209,343)	$ (335,653)	$ (277,114)	$ (245,339)
Covered-employee payroll (3,4)	$ 1,886,199	$ 2,180,008	$ 1,891,379	$ 2,193,506	$ 2,229,474	$ 2,234,958	$ 2,337,090	$ 2,456,939	$ 2,924,613
Contributions as a percentage of covered-employee payroll (3)	11.85%	6.49%	14.57%	4.70%	9.26%	10.43%	9.69%	8.95%	9.35%

(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 measurment date June 30, 2016 was not used.

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 assumptions 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.

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Truckee Tahoe Airport District (the "District"), as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 27, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Truckee Tahoe Airport District's internal control over financial reporting (internal control) as a basis for designing 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 Truckee Tahoe Airport District's internal control. Accordingly, we do not express an opinion on the effectiveness of Truckee Tahoe Airport 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financials 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

701 Howe Avenue, Suite E3, Sacramento, CA 95825 (916) 993-9494 fax (916) 993-9489
www.jpmcpa.com jmarta@jpmcpa.com

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 financial statement. 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.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
May 27, 2025

FINDINGS AND RECOMMENDATIONS

TRUCKEE TAHOE AIRPORT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Section I – Summary of Audit Results</u>

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	_______	Yes	___X___	No
Significant deficiency(ies) identified?	_______	Yes	___X___	None reported
Noncompliance material to financial statements noted?	_______	Yes	___X___	No

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, 2024

No matters were reported.