

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: **Appropriations Limit**

Purpose	Information:	Guidance:	Decision: X
Recommendation	Pass Resolution 2013-08 which states that the percentage change in California per capita personal income from the preceding year is the "change in the cost of living factor" which the Board elects to use to calculate the fiscal 2013-2014 Appropriations Limit, the Appropriation Limit for fiscal 2013-2014, and the fact that TTAD's budgeted appropriations of proceeds of taxes do not exceed the appropriations limit.		
Last Action	The Fiscal Year 2012-2013 Appropriations Limit was established by Resolution 2012-07 at the October 25, 2012 Regular Board Meeting.		
Discussion	<p>The District is required by Senate Bill 1352 to establish an Appropriations Limit for each fiscal year. It must be established by resolution, at a regularly scheduled and noticed meeting.</p> <p>The Appropriations Limit is calculated based the prior year's Appropriations Limit adjusted for the change in population and the change in the cost of living.</p> <p>The State Constitution states in Article XIIIB, Section 8 that the: "Change in the cost of living" for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.</p> <p>The TTAD Appropriations Limit has been calculated by the Director of Finance and Administration based on population growth and assessed valuation information provided by Placer and Nevada Counties. The cost of living factor (also called the price factor) used in the calculation is the percentage change over prior year in per capita personal income as provided by the California Department of Finance. This is consistent with the prior year calculation. As this is the factor that is provided by the state, and we are well within the appropriations limit calculated by this method, we have not pursued the alternative cost of living factor mentioned in the Constitution. James Marta & Company has reviewed the calculation and has found no exceptions. Their report is attached.</p>		
Fiscal Impact	As the District is within the appropriations limit, there is no fiscal		

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

	impact.
Communication Strategy	As stated above, the Appropriations Limit must be established by resolution, at a regularly scheduled and noticed meeting. This is an annual housekeeping item. No additional communications are foreseen.
Attachments	Draft of Resolution 2013-08 Report from James Marta & Company Appropriations Limit Calculation

RESOLUTION NUMBER 2013-08
OF THE TRUCKEE TAHOE AIRPORT DISTRICT

TO ESTABLISH APPROPRIATIONS LIMIT FOR FISCAL YEAR 2013-2014

- WHEREAS, the people of the State of California elected to approve Article XIII B of the California Constitution which sets annual appropriations limits for governmental agencies; and
- WHEREAS, the California Legislature has enacted Senate Bill 1352 which implements Article XIII B of the Constitution and sets forth procedures for calculating appropriations limits; and
- WHEREAS, the Truckee Tahoe Airport District (hereinafter referred to as "District") is required by Senate Bill 1352 to establish the appropriations limit for Fiscal Year 2013-2014 by resolution at a regularly scheduled and noticed meeting; and
- WHEREAS, the California Constitution states in Article XIII B, Section 8 that each entity of local government has a choice between two cost of living factors to use in the calculation of the appropriations limit, and the local governmental agencies shall select its change in the cost of living factor annually by a recorded vote of the entity's governing body.
- WHEREAS, the Appropriations Limit may be adjusted without further notice as necessary.

NOW, THEREFORE, BE IT RESOLVED:

1. The District shall use the per capita personal income factor provided by the California State Department of Finance as the cost of living factor in the calculation of the appropriations limit for the 2013-2014 fiscal year.
2. The Appropriations Limit for the District's Fiscal Year 2013-2014, which is based upon a per capita personal income factor and county-wide population factors for both Nevada and Placer Counties, is \$6,226,485.
3. The Fiscal Year 2013-2014 budgeted appropriations of proceeds of taxes does not exceed the appropriations limit.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Truckee Tahoe Airport District at a regular meeting thereof, held on October 17, 2013 by the following vote:

AYES:	President Mary Hetherington Director John B. Jones Director James W. Morrison Director J. Thomas Van Berkem Director Lisa Wallace
NOES:	none
ABSTENTIONS:	none

TRUCKEE TAHOE AIRPORT DISTRICT

Mary Hetherington, President of the Board

CERTIFICATION

I, Kevin Smith, Secretary of the Board of Directors of the TRUCKEE TAHOE AIRPORT DISTRICT, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2013-08 adopted at the regular meeting of the Board of Directors of the TRUCKEE TAHOE AIRPORT DISTRICT this 17th day of October, 2013.

IN WITNESS WHEREOF, I have hereto set my hand and impressed the official seal of the TRUCKEE TAHOE AIRPORT DISTRICT this 17th day of October, 2013.

Kevin Smith, Secretary of the Board



James Marta & Company LLP
Certified Public Accountants

TRUCKEE TAHOE AIRPORT DISTRICT

Special Purpose Agreed-Upon Procedures Report

Appropriations Limit Calculation Fiscal Year 2013-2014

SUBMITTED BY:

James Marta & Company LLP
Certified Public Accountants

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James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

Board of Directors
Truckee Tahoe Airport District
Truckee, California

We have performed the procedures enumerated below, which were agreed to by the governing board of Truckee Tahoe Airport District (District) solely to assist the District in evaluating the annual calculation of the appropriations limit for fiscal year 2013-2014 in order to meet the requirements of Section 1.5 of Article XIII B of the California Constitution. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Truckee Tahoe Airport District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Results

1. We agreed the prior year appropriations limit of \$5,908,602 used in the accompanying worksheets to the fiscal year 2012-2013 appropriations limit calculation.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the population percentage change factor of 1.0025 used in the accompanying worksheets based on the weighted average percentage change of assessed values for Placer and Nevada County.

Results: No exceptions were noted as a result of our procedures.

3. We recalculated the growth factor of 1.0538 used in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

4. We recalculated the current year appropriations limit of \$6,226,485 in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

5. We agreed the 2013-2014 budgeted proceeds of taxes of \$4,360,000 used in the accompanying worksheets to the District's 2013-2014 budget.

Results: No exceptions were noted as a result of our procedures.

6. We recalculated the interest income attributable to tax proceeds of \$15,671 used in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

7. We recalculated the excess of appropriations limit over budgeted appropriations of taxes of \$1,850,813 in the accompanying worksheets.

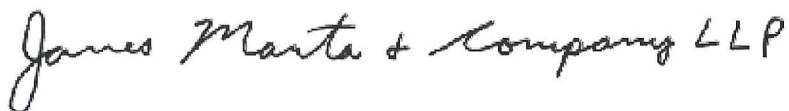
Results: No exceptions were noted as a result of our procedures.

8. We agreed the population percentage change and assessed valuations to documentation from Placer and Nevada County.

Results: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Truckee Tahoe Airport District and is not intended to be and should not be used by anyone other than the specified party.

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
October 4, 2013

TRUCKEE TAHOE AIRPORT DISTRICT
ARTICLE XIIIB APPROPRIATIONS LIMITATIONS WORKSHEET
FISCAL YEAR 2013-2014

<i>Calculation of Appropriations Limit for Current Year</i>		
Prior year appropriations limit		\$ 5,908,602
Price percentage change factor	1.0512	
Population percentage change factor	<u>1.0025</u>	
Growth factor		<u>1.0538</u>
Current year appropriations limit		<u><u>6,226,485</u></u>

<i>Comparison of Current Year Appropriations Limit to Current Year Budgeted Appropriations of Proceeds of Taxes</i>		
Current year appropriations limit		\$ 6,226,485
Proceeds of taxes per budget	4,360,000	
Interest income attributable to tax proceeds	15,671	
Less: Qualified Capital Outlay	<u>-</u>	
Total budgeted appropriations of proceeds of taxes		<u>4,375,671</u>
Excess of appropriations limit over (under) budgeted appropriations of taxes		<u><u>\$ 1,850,813</u></u>

TRUCKEE TAHOE AIRPORT DISTRICT
APPROPRIATION LIMIT CALCULATION WORKSHEET
FISCAL YEAR 2013-2014

<i>Input Area</i>		
Placer County Population Change	County Total	0.56%
Placer County Assessed Valuation	Gross Valuation	10,295,476,992
Nevada County Population Change	County Total	-0.35%
Nevada County Assessed Valuation	Gross Valuation	5,404,355,170
Per Capita Cost of Living factor as a ratio		1.0512
Interest Revenues per budget		30,000
Tax Revenues per budget		4,360,000
Grants per budget		387,360
Total budgeted revenue		8,763,778
Budgeted debt service		-
Qualified capital outlay		
Prior year appropriations limit		5,908,602

<i>Weighted Average Percentage Change Calculation</i>			
Local Agency	Population Percentage Change	Assessed Value	% Change X Assessed Value
Placer County	0.56%	10,295,476,992	57,654,671
Nevada County	-0.35%	5,404,355,170	(18,915,243)
Total District		15,699,832,162	38,739,428
Weighted Average Percentage Change		0.0025	
Expressed as a Factor		1.0025	

<i>Interest Income Calculation</i>			
Interest income per budget	30,000		
Tax revenue per budget		4,360,000	
Total budgeted revenue			8,763,778
Less: Revenue which will not earn interest:			
Grant revenues per budget			(387,360)
Interest income per budget			(30,000)
Total interest earning budgeted revenue		8,346,418	
Multiplier-Tax proceeds to interest	52.2380%		
Interest income attributable to tax proceeds			
			15,671