James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE, INCLUDING THOSE OVERSEEING THE FINANCIAL REPORTING PROCESS

Board of Directors
Truckee Tahoe Airport District
Truckee, California

We have audited the financial statements of Truckee Tahoe Airport District (the "District") as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated DATE. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 3, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Truckee Tahoe Airport District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing that we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Significant Risk Identified

We identified the following as a significant risk

- Pension Liability

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Truckee Tahoe Airport District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are upcoming Governmental Accounting Standards that may affect Truckee Tahoe Airport District in future years. See Attachment A.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of accounts receivable, the net pension liability and related deferred inflows and other postemployment benefits liabilities (assets).

Management's estimate of the collectability of accounts receivable is based on a historical analysis of collections and bad debt. Management's estimate of the net pension liability, related deferred inflows and other postemployment benefits liabilities (assets) are based on actuarial studies performed by independent third parties. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Truckee Tahoe Airport District's financial statements relate to capital assets.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management.

None.

Identified or Suspected Fraud

We have not identified or obtained information that indicates that the fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected adjustments during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We have attached a schedule of corrected adjusting entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affected the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated DATE.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Services

We have assisted management in preparing the financial statements of Truckee Tahoe Airport District in conformity with U.S. generally accepted accounting principles based on information provided by management.

Management's responsibilities for other services included designating qualified individuals with the skill, knowledge, and experience to be responsible and accountable for overseeing financial statement preparation and any other nonattest services we performed as part of this engagement. Management has represented that they have evaluated the adequacy and results of those services and is accepting responsibility for them.

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

DRAFT
James Marta & Company LLP
Certified Public Accountants
Sacramento, California
DATE

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the District in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the District. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 102, Certain Risk Disclosures
Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

The District is currently assessing the financial statement impact of GASB 102.

GASB Statement No. 103, Financial Reporting Model Improvements
Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The District is currently assessing the financial statement impact of GASB 103.

Client:	***TTAD - Truckee Tahoe Airport District***
Engagement:	***Audit 2025 - Truckee Tahoe Airport District***
Period Ending:	***12/31/2025***
Workpaper:	***2207 - Adjusting Journal Entry Report***

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 1			
To adjust net pension liability			
22017	Deferred Inflows - Pensions	31,174.00	
22021	Net Pension Liability	597,113.00	
17002	Deferred Outflows - Pensions		98,401.00
5420.000	Pension Expense		529,886.00
Total		**628,287.00**	**628,287.00**
Adjusting Journal Entry JE # 2			
To reclass the additions at the end of last year based on 2025 activity.			
14003	Airside Improvements	23,000.00	
14003	Airside Improvements	27,235.00	
14003	Airside Improvements	391,680.00	
14004	Landside Building & Structures	21,344.00	
14006	Building Improvements	5,072.00	
14006	Building Improvements	85,160.00	
14012	Vehicles	848.00	
72030	IT & Finance Software Subscriptions	408.00	
14008	IT Network App & Equipment		408.00
14013	Future AIP Projects		391,680.00
14018	Fuel Farm Skid		27,235.00
14019	Lima 1 Hangar Door Re-Rig		85,160.00
14020	Density Altitude Sign		23,000.00
14021	Hali Brite Rotating Beacon		21,344.00
14025	HVAC System Software Upgrade 2025		5,072.00
74001	Vehicle - R & M		848.00
Total		**554,747.00**	**554,747.00**
Adjusting Journal Entry JE # 3			
To correct under-recorded depreciation for the fiscal year ended June 30, 2026.			
76001	Depreciation Expense	1,154,856.00	
16001	Accu Depr- Land Improvements		1,154,856.00
Total		**1,154,856.00**	**1,154,856.00**