

# TOWN OF TRUCKEE, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019





**TOWN OF TRUCKEE, CALIFORNIA  
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019

Prepared by:  
Department of Administrative Services, Finance Division

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*Kayaks on Donner Lake.*

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# INTRODUCTORY SECTION

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- Letter of Transmittal
  - List of Officials
  - Organization Chart

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Town Council

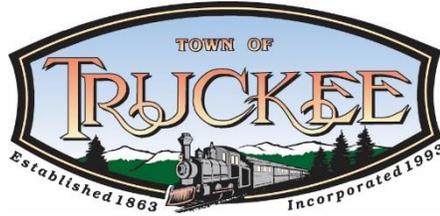
David Tirman, Mayor

David Polivy, Vice Mayor

Jessica Abrams, Council Member

Anna Klovstad, Council Member

Tony Commendatore, Council Member



Department Heads

Jeff Loux, Town Manager

Andy Morris, Town Attorney

Robert Leftwich, Chief of Police

Kim Szczurek, Administrative Services Director

Judy Price, Communications Director/Town Clerk

Daniel Wilkins, Public Works Director/Town Engineer

Denyelle Nishimori, Community Development Director

December 10, 2019

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Truckee:

We are pleased to present the Town of Truckee's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. State of California statutes mandate that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant and a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP). These statements must be published within six months of the close of each fiscal year. The publishing of this report satisfies these requirements.

The CAFR consists of management's representations of the finances of the Town of Truckee (Town). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established internal controls that are designed to protect the Town of Truckee's assets from loss, theft or misuse and to compile sufficient reliable information to prepare the Town of Truckee's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits. Therefore the Town of Truckee's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Town of Truckee's statements have been audited by Mann, Urrutia, Nelson CPAs, a firm of licensed certified professional accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the Town of Truckee for the fiscal year ended June 30, 2019 are free of material misstatement. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified or clean opinion that the Town's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found in the finance section immediately following the report of the independent auditors.

*Profile of the Town of Truckee*



The Town of Truckee is a charter city incorporated under California law in 1993. The Town is located in Nevada County, in the northern Sierra Nevada mountain range, near the California-Nevada state line. The Town is bisected by Interstate 80 and the Truckee River. It is approximately 100 miles from Sacramento, California, 30 miles from Reno, Nevada and 10 miles from Lake Tahoe. It has a total area of 33.7 square miles and is home to Donner Lake, a 1.31 square mile lake. The Town sits at 6,000 feet above sea

level and experiences snowy and cold winters, followed by dry summers.

The Town of Truckee operates under a council-manager form of government. Policy-making and legislative authority is vested in the governing council, which consists of an elected body of five members, all elected on a non-partisan basis. The Council appoints the Town's manager, who in turn appoints the heads of various departments.



The Town of Truckee provides many services including economic development, roadway maintenance, snow removal, trail infrastructure and maintenance, police services, on- and off-street parking, animal control, town planning, building inspections, licenses and permits, refuse collection, recycling programs, and transit services. Other municipal services, such as fire, water, power, sewer and recreation, are provided by special districts that cover roughly the same geographic area.

The Town is required to adopt an initial budget by June 30 each year preceding the beginning of the fiscal year on July 1. The annual budget serves as the foundation of the Town of Truckee's financial planning and control. The budget is prepared by fund, function (e.g., public works) and division (e.g., road maintenance). Budget increases for a fund need specific approval by the Council.

*Local Economy*

The Town of Truckee is a mountain town known as a national and international tourism and vacation destination due to its close proximity to world class ski resorts and abundant summer recreational opportunities. As such, a primary driver of the local economy is tourism.

The Town's biggest source of revenue is property tax. California law limits the annual property tax levy to 1% of the assessed property value without specific voter approval. Property values can only increase a maximum of 2% per year, unless a sale or transfer occurs, at which time the property is reassessed at the purchase or transfer price.



The Town of Truckee operates in a fiscally conservative manner. Standard and Poors, a credit rating agency recognized these efforts by awarding the Town a AA+ bond rating for a lease revenue bond refinancing during fiscal 2016.

Consistent with much of the state of California, but perhaps exacerbated due to the impact of tourism, the Town of Truckee is experiencing a housing shortage. The strong property values in Truckee adds additional pressures as many local workers struggle to find housing stock available for purchase or rent within their income bracket. In a white paper issued by the Mountain Housing Council, it was reported that 65% of the available housing stock in Truckee was used as a second home or a short-term rental. This means that only 35% of the total housing stock is available for long-term rentals or for owner-occupation. Two major developments are currently underway to increase the housing stock to which the Town has pledged financial support: a 135-unit apartment complex currently under construction as of June 30, 2019 and a planned 72-unit low/very low-income apartment complex.

*Long-term Financial Planning and Major Initiatives*

The ending fund balance (total of the committed, assigned, and unassigned components of the fund balance) in the General Fund at year-end is \$37 million, or 134.5% of General Fund revenues. This includes a cash available balance of \$17.6 million, which is above the guideline set by Council of \$5.0 million and a Council mandated \$6.9 million General Fund contingency (equal to 25% of operating revenues). The fiscal year 2020 budget identifies using \$12.5 million of this fund balance on capital expenditures.

The Town of Truckee prepares a five-year Capital Improvement Plan annually that serves as its planning document for the construction of new infrastructure and maintenance of existing infrastructure. This process assists the Town in planning for its capital needs for both the short- and long- term. As part of this process, staff identifies and quantifies the operational impacts associated with the projects and includes those in the projected operational budget to ensure the Town has the appropriate resources to support the operations and maintenance when the project is complete.



The fiscal year 2020 capital improvement plan identifies 47 active capital projects for a total of \$32.7 million. Included in the \$32.7 million of budgeted capital, is the construction of a \$14.1 million addition to the Town’s corporation yard and \$12.5 million in roadway and streetscape improvements. The remainder of the capital program will fund planning and design of future capital projects, sustainability related projects, roadway maintenance projects, and various studies analyzing potential future projects.

The Town of Truckee embarked on an update of its General Plan in fiscal year 2019, which is scheduled to be complete during fiscal year 2021. The 2040 General Plan will include climate action policies which aim to reduce greenhouse gas emissions as well as prepare for the economic and environmental impacts of climate change.

The Town also maintains a Fleet Replacement Fund, funded based on the recommendations of a Fleet Replacement Plan, to ensure resources are available for the eventual and identified replacement of critical Town fleet vehicles. For fiscal year 2020, seven fleet vehicles are budgeted for replacement, for \$1.1 million.

*Relevant Financial Policies*

The Town of Truckee has an adopted list of comprehensive fiscal policies that are used in guiding budgeting, spending, debt issuance and capital improvement. The Town's debt policies were used as guiding principles in deciding whether to move forward with the planned construction of the \$14.1 million addition to the Town's corporation yard. This project required that the Town issue \$4.9 million in lease revenue bonds.



In April of 2017, Senate Bill 1, the Road Repair and Accountability Act of 2017 was signed into law. The additional funding awarded to the Town because of this bill helped the Town reach full funding for pavement maintenance as recommended by the 2018 Pavement Maintenance Program. The Program details the expected funding needs to maintain roads within Truckee at a specific, Council-identified level. The bill also opened up several grant opportunities and, consistent with the Town's fiscal policies to seek grant funding whenever possible, the Town secured SB1 grants for two separate capital projects, the transit center relocation study and the climate adaptation planning project.

*Awards and Acknowledgements*

The California Society of Municipal Finance Officers awarded the Town of Truckee the Excellence Award for Budgeting for the Town of Truckee's Fiscal Year 2019 Operating Budget for meeting the criteria established for the excellence in budgeting program. This was the first time the Town has applied for or been awarded this honor.

The preparation of this report would not be possible without the skill, effort and dedication of the entire staff of the Administrative Services Department. We wish to thank the entire Town of Truckee staff for their adherence to the Town's financial policies that allow the Town to collect the necessary data to prepare this report. Credit is also due to the Town Council for their confidence in Town staff's skill and knowledge, as well as their unfailing support in maintaining the highest standards of professionalism in the management in the Town of Truckee's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kim Szczurek". The signature is fluid and cursive.

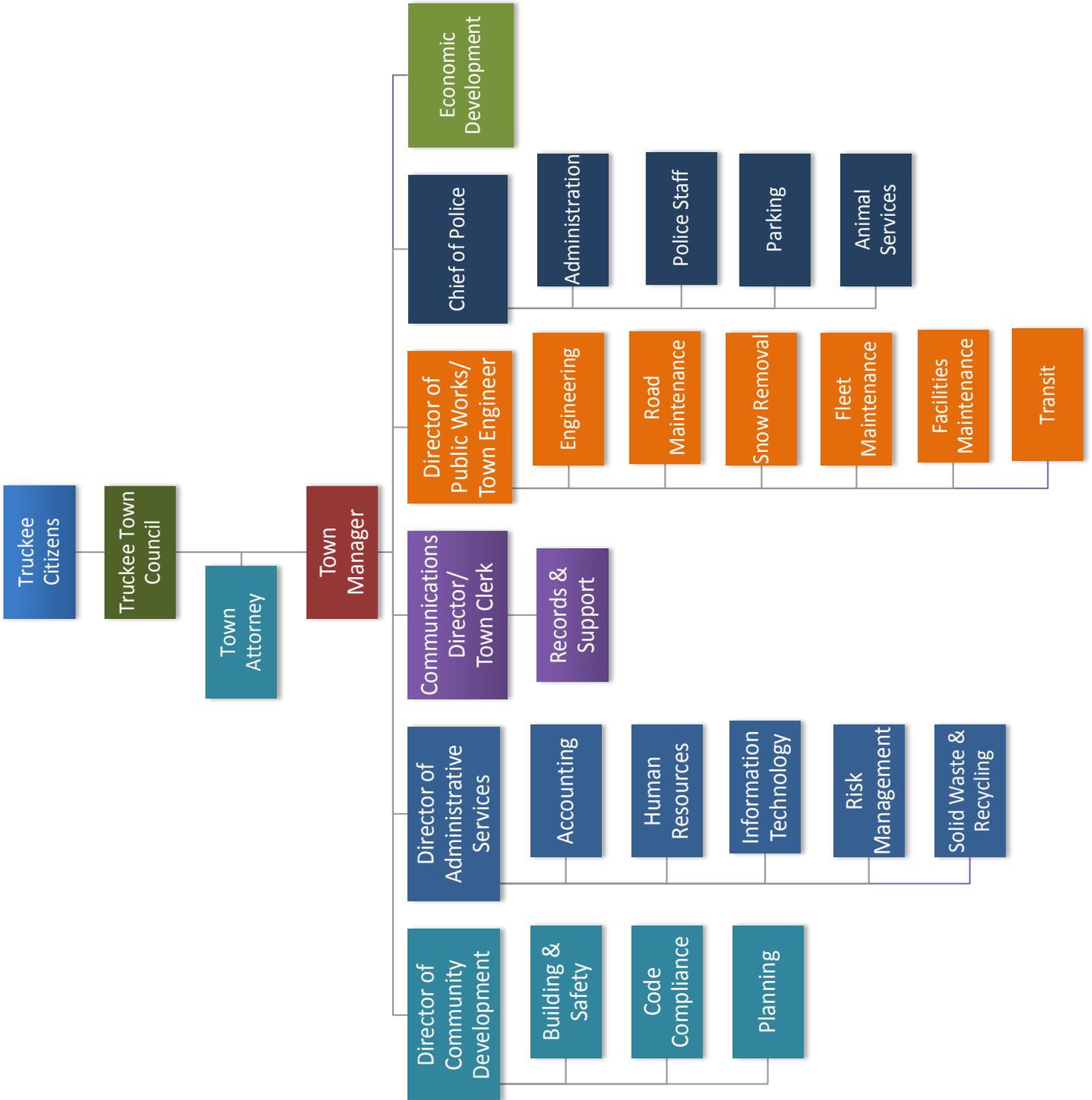
Kim Szczurek  
Administrative Services Director

TOWN OF TRUCKEE, CALIFORNIA  
LIST OF OFFICIALS  
AS OF JUNE 30, 2019

<b>Name</b>	<b>Office</b>
David Tirman	Mayor
Morgan Goodwin	Vice Mayor
Anna Klovstad	Council Member
David Polivy	Council Member
Jessica Abrams	Council Member



TOWN OF TRUCKEE, CALIFORNIA  
 ORGANIZATION CHART  
 AS OF JUNE 30, 2019



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## FINANCIAL SECTION

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- Independent Auditor's Report
  - Management's Discussion and Analysis
  - Basic Financial Statements
  - Required Supplementary Information
  - Combined Fund Statements and Schedules

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MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP  
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

To the Town Council of  
the Town of Truckee  
Truckee, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Truckee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Truckee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and OPEB related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Truckee's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019, on our consideration of the Town of Truckee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 effectiveness of the Town of Truckee's 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 the Town of Truckee's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "M. C. H. CPAs".

Sacramento, California  
December 3, 2019

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

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**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

This discussion and analysis of the Town of Truckee's (Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

The Town's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$249.7 million. Of this amount, \$49.5 million is in unrestricted net position, which is available to meet the Town's ongoing commitments to citizens and creditors.

The Town's governmental activities ended the year with total net position of \$244.5 million. Of this balance, \$44.9 million is unrestricted and available for spending at the Town's discretion.

The Town's General Fund ended the year with a fund balance of \$37.0 million. The non-spendable balance of \$0.4 million is for the Town's public works inventory on-hand and prepaid assets at year-end. The restricted balance is \$0.1 million and represents the Town's share of self-insured retention for insurance. The assigned balance of \$18.9 million is designated for various contingencies, economic development projects and future capital needs. \$17.6 million is unassigned and available for spending at the Town Council's discretion.

The major capital project completed in fiscal 2019 was the Brickelltown streetscape project. Additions to infrastructure projects still in construction at year-end in fiscal 2019 were related to work performed on the 2018 paving and drainage; utility undergrounding and streetscaping on the western segment of Donner Pass Road; construction on a new garage at the Town's public service center garage; construction of a roundabout at Donner Pass Road and Church Street; and preliminary work on the Truckee River Trail phase 4.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. These statements include all activities of the Town of Truckee using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements for governmental funds tell how these services are financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

**GOVERNMENT- WIDE STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Town using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All current year revenues and expenses are taken into account regardless of when the related cash is received.

The Statement of Net Position presents information on all the Town's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the Town's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

TOWN OF TRUCKEE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

The government-wide financial statements of the Town are divided as follows:

**Governmental Activities:** Most of the Town's basic services are included here such as general government, public safety, public works (snow removal, streets and roads), community development, and facilities. These services are primarily financed by property and sales taxes, federal and state grants, and development fees.

**Business-Type Activities:** The Town charges fees to customers to cover the costs of services provided. The Town's parking, solid waste removal service, building and safety, and transit services are included in business-type activities.

The government-wide financial statements can be found on pages 27, 28 and 29 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Since the resources of these funds are not available to support the Town's own programs, they are not reflected in the government-wide financial statements. The Statement of Fiduciary Net Position is on page 46 and includes the assets and liabilities of the Truckee Redevelopment Successor Agency formed in accordance with State law requiring the dissolution of redevelopment agencies. The Statement of Revenues, Expenses and Changes in Net Position for the fiduciary fund is on page 47.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the Town is meeting legal responsibilities for using certain taxes, grants, or other money. All the funds of the Town can be classified into three categories: governmental funds, proprietary funds, or fiduciary funds.

**Governmental Funds.** Governmental funds are essentially used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliations between governmental funds to governmental activities in the government-wide statements. These reconciliations explain the relationship (or differences) between fund statements and the government-wide statements. The basic governmental fund financial statements can be found on pages 32-39.

**Proprietary Funds.** The Town utilizes enterprise funds (one type of proprietary fund) to account for those activities that are supported primarily by user charges to external users, specifically parking, transit services, solid waste removal service and building and safety. Proprietary funds provide the same type of information as the government-wide financial statement business-type activities, only in more detail. The proprietary fund financial statements provide separate information for the Parking, Solid Waste, Building and Safety, and Transit divisions. The basic proprietary fund financial statements can be found on pages 40-45.

**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Fiduciary Funds.** The Town utilizes fiduciary funds to account for resources held for the benefit of parties outside the Town. The Statement of Fiduciary Net Position is on page 46 and includes the assets and liabilities of the Truckee Redevelopment Successor Agency formed in accordance with State law requiring the dissolution of redevelopment agencies. The Statement of Revenues, Expenses and Changes in Net Position for the fiduciary fund is on page 47.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 51-87.

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

Below is a table showing the Town's net position for the fiscal year ended June 30, 2019.

<b>Town of Truckee</b>							
<b>Net Position</b>							
<i>(in thousands of dollars)</i>							
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>		<b>Activities</b>		
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>Change</b>
Current and other assets	\$ 87,386	\$ 93,182	\$ 5,169	\$ 6,379	\$ 92,555	\$ 99,561	7.6%
Capital assets	164,847	177,097	647	624	165,494	177,721	7.4%
<b>Total assets</b>	<b>252,233</b>	<b>270,279</b>	<b>5,816</b>	<b>7,003</b>	<b>258,049</b>	<b>277,282</b>	<b>7.5%</b>
Deferred outflows	5,492	4,480	287	223	5,779	4,703	-18.6%
<b>Total deferred outflows</b>	<b>5,492</b>	<b>4,480</b>	<b>287</b>	<b>223</b>	<b>5,779</b>	<b>4,703</b>	<b>-18.6%</b>
Current Liabilities	2,664	3,863	485	1,057	3,149	4,920	56.2%
Net pension liability	12,021	11,871	700	678	12,721	12,549	-1.4%
Net OPEB liability	489	478	58	56	547	534	
Long-term debt outstanding	13,914	13,658	96	107	14,010	13,765	-1.7%
<b>Total liabilities</b>	<b>29,088</b>	<b>29,870</b>	<b>1,339</b>	<b>1,898</b>	<b>30,427</b>	<b>31,768</b>	<b>4.4%</b>
Deferred inflows	289	426	78	97	367	523	42.5%
<b>Total deferred inflows</b>	<b>289</b>	<b>426</b>	<b>78</b>	<b>97</b>	<b>367</b>	<b>523</b>	<b>42.5%</b>
Net position							
Invested in capital assets							
net of related debt	152,235	165,044	647	624	152,882	165,668	8.4%
Restricted	32,908	34,485	-	-	32,908	34,485	4.8%
Unrestricted	43,205	44,934	4,039	4,607	47,244	49,541	4.9%
<b>Total net position</b>	<b>\$ 228,348</b>	<b>\$ 244,463</b>	<b>\$ 4,686</b>	<b>\$ 5,231</b>	<b>\$ 233,034</b>	<b>\$ 249,694</b>	<b>7.1%</b>

As of June 30, 2019, the Town's government-wide total assets and deferred outflows exceeded liabilities and deferred inflows (net position) by \$249.7 million. Governmental activities finished the year with a positive net position balance of \$244.5 million. Business-type activities finished the year with a positive balance of \$5.2 million. Net position as noted earlier may serve as a useful indicator of the Town's financial position if you look at the changes over time.

Of the total government-wide net position, \$165.7 million is the Town's net investment in capital assets (e.g. land, buildings and improvements, and the road network) less any related debt used to acquire those assets that is still outstanding. One significant project completed in fiscal 2019 was the Brickelltown streetscape project.

The Town's long-term liabilities include debt incurred to acquire the Town's administrative facility, debt issued in 2009 to pay for the land purchased for the Public Service Facility, compensated absences payable, net pension liability related to the Town's pension plans and net other post-employment benefits (OPEB) liability related to the Town's other post-employment benefits (i.e. retiree health benefits). In addition, the Town issued "crossover" debt to refinance and refund the 2009 bonds. The proceeds were placed in an escrow account and will be used to pay off the 2009 debt in late 2019. Both the escrow proceeds and the soon to be retired debt are included on the Town's balance sheet as of June 30, 2019.

**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

The proceeds of the debt issued for the administrative facility and land for the public service facility are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on the general fund assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. See Note 3 D on page 68 for debt schedules and Note 4 on pages 72-82 for further discussion of the net pension liability and net OPEB liability.

Restricted net position amounts to \$34.5 million or 14.1% of the total governmental net position. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

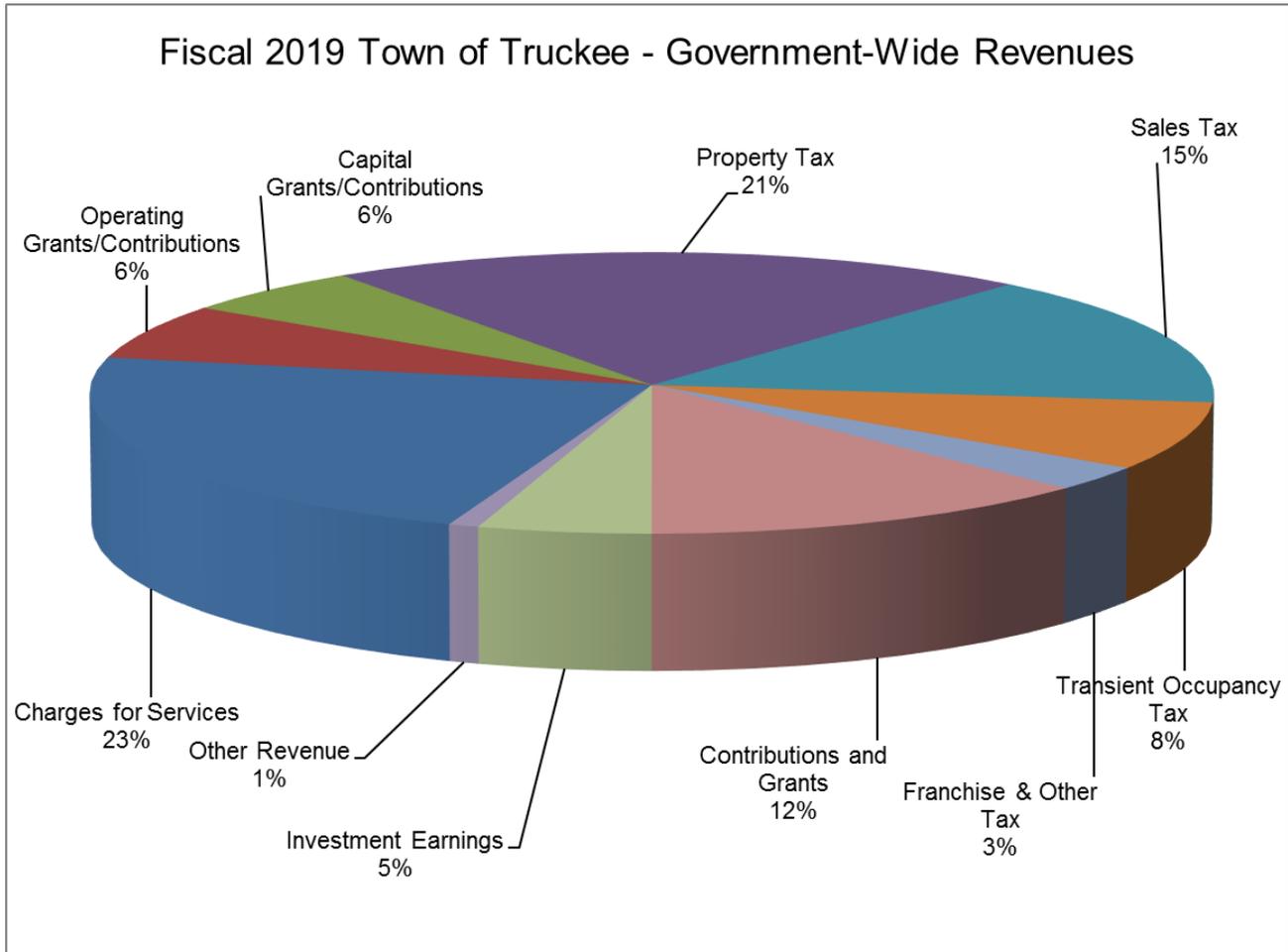
Unrestricted net position represents those resources which may be used to meet the Town's ongoing commitments to citizens and creditors. Government-wide unrestricted net position is \$49.5 million or 19.8% of the total net position. Governmental activities account for \$44.9 million or 90.7% of the total unrestricted net position. Business-type activities account for \$4.6 million or 9.3% of the total. The Town can use unrestricted net position of the parking, solid waste, building & safety, and transit funds to finance their continuing operations.

**GOVERNMENTAL ACTIVITIES**

The following lists key components of net position and highlights the changes between fiscal 2018 and fiscal 2019 for both Governmental Activities and Business-Type Activities:

<b>Town of Truckee</b>								
<b>Changes in Net Position</b>								
<i>(in thousands of dollars)</i>								
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Activities</b>			<b>Total Percentage Change</b>
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>		
<b>Revenues</b>								
<i>Program Revenues</i>								
Charges for services	\$ 3,984	\$ 5,406	\$ 6,438	\$ 7,058	\$ 10,422	\$ 12,464		20%
Operating grants and contributions	3,273	2,507	1,052	1,015	4,325	3,522		-19%
Capital grants and contributions	2,078	3,098	10	-	2,088	3,098		48%
<i>General Revenues</i>								
Property taxes	11,078	11,759	-	-	11,078	11,759		6%
Sales taxes	8,291	8,478	-	-	8,291	8,478		2%
Transient occupancy tax	3,399	4,265	-	-	3,399	4,265		25%
Other taxes	1,498	1,536	-	-	1,498	1,536		3%
Grants and contributions unrestricted	1,642	1,764	-	-	1,642	1,764		7%
Contributed Capital	1,654	5,128	-	-	1,654	5,128		210%
Interest	1,072	2,483	34	120	1,106	2,603		135%
Other revenue	1,042	443	9	12	1,051	455		-57%
<b>Total revenues</b>	<b>\$ 39,011</b>	<b>\$ 46,867</b>	<b>\$ 7,543</b>	<b>\$ 8,205</b>	<b>\$ 46,554</b>	<b>\$ 55,072</b>		

**TOWN OF TRUCKEE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**



Total governmental revenues for the year were \$46.8 million, an increase of \$7.8 million or 20.1% when compared to fiscal 2018. Revenues from charges for services increased \$1.4 million or 35.7% when compared to fiscal 2018. Several large construction projects paid the related impact and in-lieu fees, which resulted in a one-time increase in charges for services. In fiscal 2019, the Town received \$5.6 million in operating and capital grants and contributions, 4.4% more than fiscal 2018.

An overall tax revenue increase of \$2.2 million or 7.3% increase was driven by increased property tax and transient occupancy tax receipts. Property tax revenue, the Town's largest revenue source, was \$11.8 million compared \$11.1 million in fiscal 2018. Transient occupancy tax revenues increased by 25.5%. The Town had exceptional winter conditions, which typically results in increased collections in transient occupancy tax from short-term renters traveling to the area for winter recreational activities that are in or easily accessible from Truckee. Additionally, the Town continued its occupancy tax monitoring and compliance activities aided by Host Compliance.

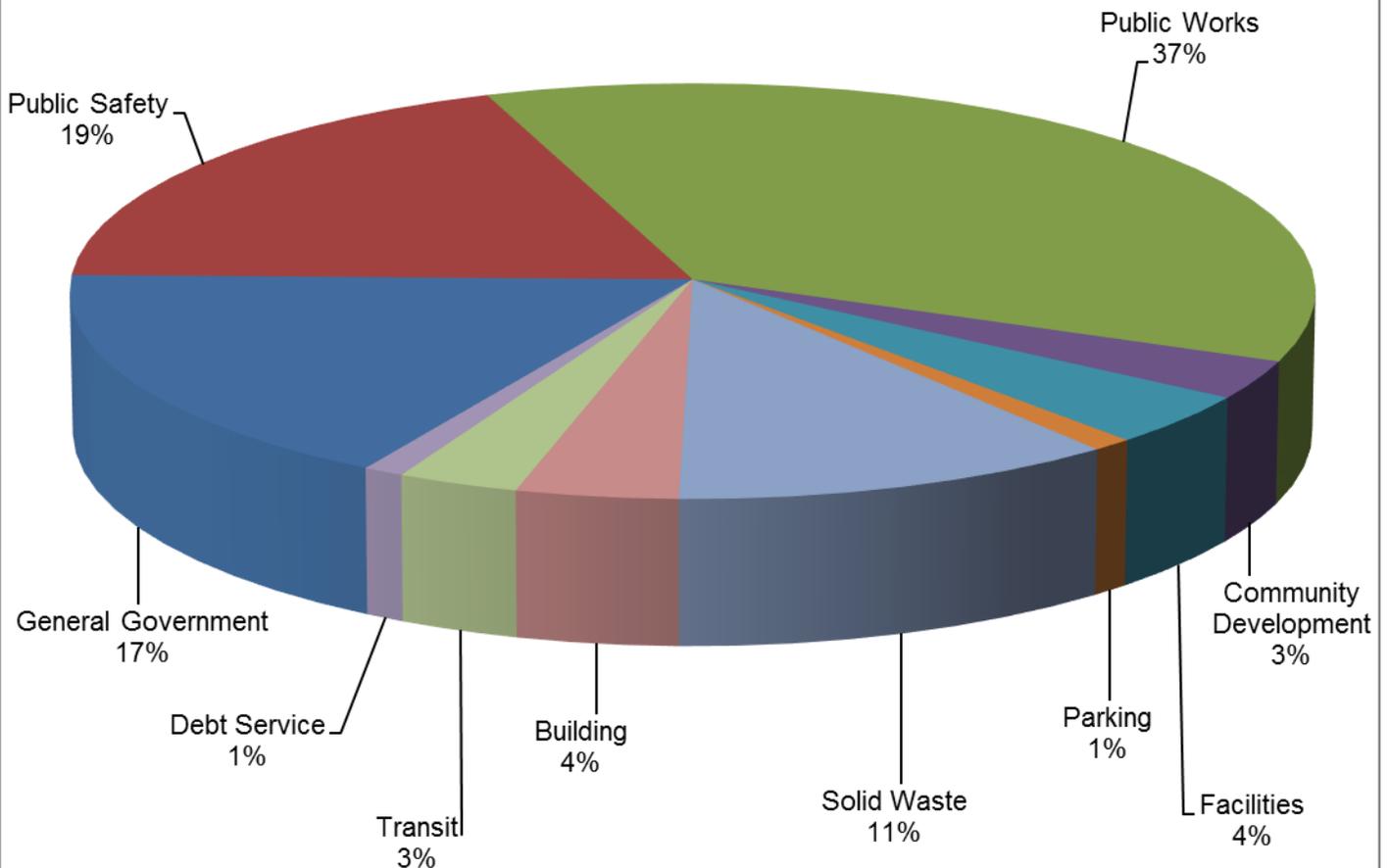
Taxes, which include property, sales, and other taxes account for \$26.0 million or 60.0% of the Town's governmental activity revenue. Without capital grants, taxes would be 64.6% of the Town's governmental activities revenue. Interest income increased by \$1.4 million or 131.6% when compared to 2018. The interest rate of the Local Agency Investment Fund (LAIF), which holds a majority of the Town's investments, increased from an average of 1.2% to an average of 2.0% during fiscal 2019.

**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Town of Truckee**  
**Changes in Net Position**  
*(in thousands of dollars)*

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2018	2019	2018	2019	2018	2019	
<b>Expenses</b>							
General government	\$ 5,418	\$ 6,238	\$ -	\$ -	\$ 5,418	\$ 6,238	15%
Public safety	7,397	7,400	-	-	7,397	7,400	0%
Public works	13,444	14,144	-	-	13,444	14,144	5%
Community development	976	1,117	-	-	976	1,117	14%
Facilities	1,269	1,430	-	-	1,269	1,430	13%
Debt issuance costs	184	-	-	-	184	-	100%
Interest on long-term debt	517	552	-	-	517	552	7%
Parking	-	-	558	569	558	569	2%
Solid Waste	-	-	3,283	4,106	3,283	4,106	25%
Building & Safety	-	-	1,431	1,413	1,431	1,413	-1%
Transit	-	-	1,155	1,203	1,155	1,203	4%
<b>Total expenses</b>	<b>29,205</b>	<b>30,881</b>	<b>6,427</b>	<b>7,291</b>	<b>35,632</b>	<b>38,172</b>	<b>7%</b>
<b>Excess (deficiency) before transfers</b>	<b>9,806</b>	<b>15,986</b>	<b>1,116</b>	<b>914</b>	<b>10,922</b>	<b>16,900</b>	
Transfers	(75)	129	75	(129)	-	-	
Extraordinary Items	-	-	-	-	-	-	
<b>Increase (decrease) in net position</b>	<b>\$ 9,731</b>	<b>\$ 16,115</b>	<b>\$ 1,191</b>	<b>\$ 785</b>	<b>\$ 10,922</b>	<b>\$ 16,900</b>	
<b>Total ending net position</b>	<b>\$ 228,347</b>	<b>\$ 244,463</b>	<b>\$ 4,687</b>	<b>\$ 5,231</b>	<b>\$ 233,034</b>	<b>\$ 249,694</b>	

**Fiscal 2019 Town of Truckee - Government-Wide Expenses**



## TOWN OF TRUCKEE, CALIFORNIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Total governmental expenses for the fiscal year were \$30.9 million as compared to \$29.2 million in fiscal 2018, a 5.8% increase. The most significant changes from fiscal 2018 were in general government and public works. Due to the winter conditions experienced during fiscal 2019, snow removal costs were higher than in an average year. The increases in general government were primarily related to higher general fund support for capital projects than in previous years.

#### **BUSINESS-TYPE ACTIVITIES**

Business-type activities account for a total increase in net position of \$0.8 million to a net position of \$5.2 million or 2.1% of the total government-wide net position. The increase in net position is the result of a 9.6% increase in charges for services related to enhanced solid waste services.

#### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The ending fund balance for all governmental funds is \$71.4 million. Of the Town's governmental funds all but two funds ended the year with a positive fund balance. The negative balances were in the Joerger Ranch Maintenance Fund and the Railyard Community Facilities District (CFD) Fund, non-major special revenue funds that were newly established in this fiscal year. The negative balances are due to setup fees for the CFDs for the funds and will be repaid once the underlying properties are fully constructed. Of the total fund balance, \$17.6 million or 24.6% is unassigned, which is available for spending at the Town's discretion. See Note 1 Q on pages 58 and 59 for a more in-depth discussion of the fund balance designations.

The general fund is the chief operating fund of the Town. As of June 30<sup>th</sup>, 2019 the total fund balance of the general fund was \$37.0 million with \$0.4 million in non-spendable, \$0.1 restricted for self-insurance, and \$18.9 million in assigned funds for contingencies, long-term road maintenance, economic development, facilities construction, and capital projects. The \$17.6 million in unassigned fund balance is available for other Council priorities.

Total governmental revenues, excluding other financing sources/uses, were more than expenditures by \$4.1 million. Higher tax revenues and lower governmental expenditures than the prior year are the primary drivers of this result.

**Proprietary Funds:** The Town's parking, solid waste, and building and safety funds ended the year with positive unrestricted net position. The transit fund had a negative unrestricted net position of \$0.1 million which is related to the initial recognition (as a prior period adjustment) of a net pension liability in fiscal 2015 that was not funded in that year.

**Fiduciary Funds:** The Town of Truckee Redevelopment Successor Agency fiduciary fund has a negative net position due to the transfer of assets and liabilities from the former Redevelopment Agency during fiscal 2012.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund Budgetary Comparison Schedule is shown on page 91. The mid-year budget amendment in the General Fund was to account for higher than average snow removal costs due to the winter weather conditions during fiscal 2019. There were also some costs associated with the Town's property tax collection and liability insurance that were higher than budgeted, which accounted for the remainder of the General Fund budget amendment.

**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

Total actual revenues of \$27.5 million were \$3.5 million more than budgeted revenues. Taxes and assessments, licenses and permits, use of money and property, intergovernmental revenues, and charges for services all exceeded budgeted revenues. Property tax, sales tax, and transient occupancy tax revenues were over budget by a total of \$2.2 million. The interest earnings on the Town's investments were much higher than budgeted, accounting for the \$0.8 million overage in use of money and property.

Actual expenditures were lower than budgeted expenditures as a result of budgetary savings, primarily due to cost controls within the various Town divisions.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The town-wide investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$165.6 million (net of depreciation and related debt). This investment in capital assets includes land, buildings and improvements, equipment, and the road network.

**Town of Truckee**  
**Capital Assets**  
*(in thousands of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	
Land	\$ 7,165	\$ 7,165	\$ -	\$ -	\$ 7,165	\$ 7,165	0.0%
Right of Way	52,498	57,487	-	-	52,498	57,487	9.5%
Construction in Progress	11,857	16,015	-	-	11,857	16,015	35.1%
Buildings & Improvements	25,269	24,626	196	178	25,465	24,804	-2.6%
Equipment	9,054	9,064	451	446	9,505	9,510	0.1%
Infrastructure	59,004	62,739	-	-	59,004	62,739	6.3%
<b>TOTALS</b>	<b>\$ 164,847</b>	<b>\$ 177,096</b>	<b>\$ 647</b>	<b>\$ 624</b>	<b>\$ 165,494</b>	<b>\$ 177,720</b>	

A major capital project completed in fiscal 2019 was the Brickelltown streetscape project. Additions to infrastructure projects still in construction at year-end in fiscal 2019 were related to work performed on the 2018 paving and drainage; utility undergrounding and streetscaping on the western segment of Donner Pass Road; construction on a new garage at the Town's public service center garage; construction of a roundabout at Donner Pass Road and Church Street; and preliminary work on the Truckee River Trail phase 4.

Additional information on the Town's capital assets can be found in Note 3 C on pages 67 and 68.

**Long-term Liabilities.** The Town's long-term liabilities were \$13.6 million as of June 30, 2019. The majority of the Town's debt is lease revenue bonds used to acquire the Town's current administrative office facility and land for the Public Service Facility. The Town issued "crossover" debt to refinance and refund its 2009 bonds. The proceeds were placed in escrow and will be used to pay off the 2009 debt in late 2019. Both the escrow proceeds and the soon to be retired debt are included on the Town's balance sheet as of June 30, 2019. Additional information on the Town's long-term debt, including business-type activities debt, can be found in Note 3 D on pages 68-70.

General obligation debts are direct obligations of the Town and are backed by the full faith and credit of the Town requiring voter approval, and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the Town's total assessed valuation which was \$7.7 billion in fiscal 2019. The Town of Truckee's debt limit is \$1.1 billion. The Town does not currently have any general obligation debt outstanding.

**TOWN OF TRUCKEE, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

On August 22, 2019 the Town, via the Truckee Public Financing Authority, \$4.92 million of lease revenue financing bonds to fund the construction of additional garages at the Town's Public Service Facility yard. The Series 2019 Bonds are tax exempt and were sold at a premium at \$5.21 million. The bonds are payable over twenty-five years and have an average interest rate of 2.39%

The Town recognized a decrease in the net pension liabilities in the amount of \$0.2 million, ending with a total balance of \$12.5 million in accordance with GASB 68. The Town recognized a net OPEB liability in the amount of \$0.53 million, a decrease of \$0.01 million over fiscal 2018, in accordance with GASB 75. See Note 4 on pages 72-82 for additional details.

**ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES**

The Town continues to experience moderate residential growth. Fiscal 2019 growth increased over fiscal 2018 and the revenue budget for fiscal 2020 included consistent activity levels for residential permits. During the budget process for fiscal 2020 it was estimated that 95 new single-family units would be constructed within the Town, compared with 95 budgeted units in fiscal 2019. New single-family residences permits issued increased in fiscal 2019 (91) when compared to fiscal 2018 (82).

The value of commercial permits issued is expected to grow in fiscal 2020. New commercial permits issued increased for fiscal 2019 (16) when compared to fiscal 2018 (9) and higher permit values are expected for fiscal 2020 based on projects currently under review.

General Fund expenditures for fiscal 2020, excluding debt service, overlay reserve and capital expenditures, were projected to increase approximately 4.6% when compared with fiscal 2019 budgeted expenditures. Personnel costs were projected to increase 6.4% for fiscal 2020. This budgeted increase incorporates the provisions of the memorandums of understanding with employee groups, for example, cost of living and pay-for-performance merit increases, and accounts for increasing California Public Employee's Retirement System (CalPERS) retirement costs along with 2.5 additional full-time equivalent positions. Overall service and supply costs are budgeted to increase 8.0% from the fiscal 2019 budget.

Property tax, the Town's largest revenue source, is expected to grow by 8.6% from the fiscal 2019 budget. This is primarily related to the steady pace of new construction noted above, along with continuing recovery of previously reduced recessionary property values.

Transient occupancy tax, the Town's third largest revenue source, which represents 10% of revenues collected for hotel or home stays for 30 days or less, continues to be strong. The fiscal 2020 budgeted collections continue a six-year trend of increases. The revenue is projected to be 9.7% more than what was budgeted in fiscal 2019, recognizing the continued increase in the use of on-line rental opportunities for single-family homeowners.

The Town's general fund is budgeted to contribute approximately \$12.5 million to the Town's capital programs. The fiscal 2020 budget includes \$17.5 million in assigned fund balance, of which \$7.2 million (equal to 25% of revenues) of general fund balance is to be assigned for contingencies, \$4.7 million for long-term road maintenance program, and \$1.7 million for streetscape projects. As part of this balance, \$2.0 million was also assigned for future housing projects. \$0.5 million of previously assigned fund balance has been reallocated to ensure the Town has adequate funding for its commitments to the railyard development project.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Truckee's finances and to demonstrate the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Administrative Services Director, at Town of Truckee, 10183 Truckee Airport Road, Truckee, CA, 96161-3306.

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**BASIC FINANCIAL STATEMENTS**  
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 66,974,944	\$ 5,696,685	\$ 72,671,629
Cash with fiscal agent	4,283,948	-	4,283,948
Accounts receivable	217,721	62,192	279,913
Interest receivable	425,473	18,598	444,071
Taxes receivable	2,765,101	209,118	2,974,219
Due from other governments	789,802	387,752	1,177,554
Inventories	295,782	-	295,782
Prepaid costs and deposits	107,233	4,899	112,132
Loans receivable (net of allowance)	17,321,750	-	17,321,750
Capital assets:			
Nondepreciable assets	80,667,701	-	80,667,701
Depreciable assets, net of depreciation	96,428,824	623,941	97,052,765
Total Assets:	<u>270,278,279</u>	<u>7,003,185</u>	<u>277,281,464</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows	4,480,030	222,774	4,702,804
Total Deferred Outflows of Resources:	<u>4,480,030</u>	<u>222,774</u>	<u>4,702,804</u>
<b>Liabilities</b>			
Accounts payable	2,205,597	439,524	2,645,121
Salaries and benefits payable	695,065	-	695,065
Deposits payable	660,192	13,430	673,622
Interest payable	47,127	-	47,127
Unearned revenue	254,768	604,108	858,876
Net pension liability	11,870,571	678,194	12,548,765
Net OPEB liability	478,141	56,297	534,438
Long-term liabilities:			
Due within one year	4,529,294	15,762	4,545,056
Due in more than one year	9,128,518	90,300	9,218,818
Total Liabilities:	<u>29,869,273</u>	<u>1,897,615</u>	<u>31,766,888</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows	426,120	97,190	523,310
Total Deferred Inflows of Resources:	<u>426,120</u>	<u>97,190</u>	<u>523,310</u>
<b>Net Position</b>			
Net investment in capital assets	165,043,525	623,941	165,667,466
Restricted for:			
Capital projects	5,808,336	-	5,808,336
Grants, taxes, and fees	24,321,341	-	24,321,341
Other restricted	4,355,890	-	4,355,890
Unrestricted	44,933,824	4,607,213	49,541,037
Total Net Position:	<u>\$ 244,462,916</u>	<u>\$ 5,231,154</u>	<u>\$ 249,694,070</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 6,237,715	\$ 586,656	\$ 172,470	\$ -
Public Safety	7,399,669	329,773	165,670	5,026
Public Works	14,144,548	4,275,906	2,111,378	3,093,794
Community Development	1,117,180	213,894	34,080	-
Facilities	1,429,987	-	23,414	-
Interest	551,509	-	-	-
Total Governmental Activities:	<u>30,880,608</u>	<u>5,406,229</u>	<u>2,507,012</u>	<u>3,098,820</u>
Business-Type Activities:				
Parking	569,127	913,435	-	-
Solid Waste	4,105,531	4,176,813	10,000	-
Building	1,413,428	1,875,457	-	-
Transit	1,202,541	91,969	1,004,964	-
Total Business-Type Activities:	<u>7,290,627</u>	<u>7,057,674</u>	<u>1,014,964</u>	<u>-</u>
Total Primary Government:	<u>\$ 38,171,235</u>	<u>\$ 12,463,903</u>	<u>\$ 3,521,976</u>	<u>\$ 3,098,820</u>

**TOWN OF TRUCKEE, CALIFORNIA**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>Functions/Programs</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Primary Government</b>			
Governmental Activities:			
General Government	\$ (5,478,589)	\$ -	\$ (5,478,589)
Public Safety	(6,899,200)	-	(6,899,200)
Public Works	(4,663,470)	-	(4,663,470)
Community Development	(869,206)	-	(869,206)
Facilities	(1,406,573)	-	(1,406,573)
Interest	(551,509)	-	(551,509)
Total Governmental Activities:	<u>(19,868,547)</u>	<u>-</u>	<u>(19,868,547)</u>
Business-Type Activities:			
Parking	-	344,308	344,308
Solid Waste	-	81,282	81,282
Building	-	462,029	462,029
Transit	-	(105,608)	(105,608)
Total Business-Type Activities:	<u>-</u>	<u>782,011</u>	<u>782,011</u>
Total Primary Government:	<u>(19,868,547)</u>	<u>782,011</u>	<u>(19,086,536)</u>
Taxes:			
Property taxes	11,758,850	-	11,758,850
Sales and use taxes	8,477,710	-	8,477,710
Transient occupancy taxes	4,264,925	-	4,264,925
Property transfer taxes	306,968	-	306,968
Franchise taxes	1,228,650	-	1,228,650
Grants and contributions - unrestricted	1,764,085	-	1,764,085
Interest and investment earnings	2,482,727	120,420	2,603,147
Contributed capital	5,128,464	-	5,128,464
Miscellaneous	442,958	12,082	455,040
Transfers	128,652	(128,652)	-
Total General Revenues, Special Items, and Transfers:	<u>35,983,989</u>	<u>3,850</u>	<u>35,987,839</u>
Change in Net Position:	16,115,442	785,861	16,901,303
Net Position - Beginning, as previously reported	228,347,474	4,686,671	233,034,145
Prior period adjustment (Note 7)	-	(241,378)	(241,378)
Net Position - Beginning:	<u>228,347,474</u>	<u>4,445,293</u>	<u>232,792,767</u>
Net Position - Ending:	<u>\$ 244,462,916</u>	<u>\$ 5,231,154</u>	<u>\$ 249,694,070</u>

(Continued) Page 2 of 2

The notes to the financial statements are an integral part of this statement.

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**BASIC FINANCIAL STATEMENTS**

FUND FINANCIAL STATEMENTS

**TOWN OF TRUCKEE, CALIFORNIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Measure R Trails Fund</u>	<u>Traffic Impact Fees Fund</u>
<b>Assets</b>				
Cash and investments	\$ 35,182,399	\$ 2,270,122	\$ 4,074,459	\$ 7,946,816
Cash with fiscal agent	-	-	-	-
Accounts receivable	192,927	5,052	-	-
Interest receivable	289,206	-	14,523	27,840
Taxes receivable	2,073,278	-	213,570	-
Due from other funds	4,663	-	-	-
Due from other governments	183,496	552,630	-	-
Inventories	295,782	-	-	-
Prepaid costs and deposits	107,233	-	-	-
Loans receivable	1,951,619	-	-	-
<b>Total Assets:</b>	<u>\$ 40,280,603</u>	<u>\$ 2,827,804</u>	<u>\$ 4,302,552</u>	<u>\$ 7,974,656</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 357,802	\$ 1,779,031	\$ -	\$ 307
Salaries and benefits payable	695,065	-	-	-
Deposits payable	169,247	410,945	-	-
Due to other funds	-	-	-	-
Unearned revenue	5,318	-	-	249,450
<b>Total Liabilities:</b>	<u>1,227,432</u>	<u>2,189,976</u>	<u>-</u>	<u>249,757</u>
Deferred Inflows of Resources:				
Deferred inflows	2,030,744	481,380	-	-
<b>Total Deferred Inflows of Resources:</b>	<u>2,030,744</u>	<u>481,380</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	403,015	-	-	-
Restricted	105,000	156,448	4,302,552	7,724,899
Assigned	18,868,761	-	-	-
Unassigned	17,645,651	-	-	-
<b>Total Fund Balances:</b>	<u>37,022,427</u>	<u>156,448</u>	<u>4,302,552</u>	<u>7,724,899</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>	<u>\$ 40,280,603</u>	<u>\$ 2,827,804</u>	<u>\$ 4,302,552</u>	<u>\$ 7,974,656</u>

**TOWN OF TRUCKEE, CALIFORNIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

	<u>Debt Service Fund</u>	<u>Measure V Road Maintenance Fund</u>	<u>HOME Grant Fund</u>	<u>Town Special Service Areas Fund</u>
<b>Assets</b>				
Cash and investments	\$ -	\$ 1,396,664	\$ -	\$ 5,443,440
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	17,594	-	23,650
Taxes receivable	-	437,048	-	39,215
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	-	-	12,701,939	-
Total Assets:	<u>\$ -</u>	<u>\$ 1,851,306</u>	<u>\$ 12,701,939</u>	<u>\$ 5,506,305</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Bal</b>				
Liabilities:				
Accounts payable	\$ -	\$ 189	\$ -	\$ 247
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities:	<u>-</u>	<u>189</u>	<u>-</u>	<u>247</u>
Deferred Inflows of Resources:				
Deferred inflows	-	-	12,701,939	-
Total Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>12,701,939</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	1,851,117	-	5,506,058
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances:	<u>-</u>	<u>1,851,117</u>	<u>-</u>	<u>5,506,058</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ -</u>	<u>\$ 1,851,306</u>	<u>\$ 12,701,939</u>	<u>\$ 5,506,305</u>

(Continued) Page 2 of 3

The notes to the financial statements are an integral part of this statement.

**TOWN OF TRUCKEE, CALIFORNIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and investments	\$ 10,661,044	\$ 66,974,944
Cash with fiscal agent	4,283,948	4,283,948
Accounts receivable	19,742	217,721
Interest receivable	52,660	425,473
Taxes receivable	1,990	2,765,101
Due from other funds	-	4,663
Due from other governments	53,676	789,802
Inventories	-	295,782
Prepaid costs and deposits	-	107,233
Loans receivable	2,668,192	17,321,750
Total Assets:	\$ 17,741,252	\$ 93,186,417
<b>Liabilities, Deferred Inflows of Resources, and Fund Bal</b>		
Liabilities:		
Accounts payable	\$ 68,021	\$ 2,205,597
Salaries and benefits payable	-	695,065
Deposits payable	80,000	660,192
Due to other funds	4,663	4,663
Unearned revenue	-	254,768
Total Liabilities:	152,684	3,820,285
Deferred Inflows of Resources:		
Deferred inflows	2,707,112	17,921,175
Total Deferred Inflows of Resources:	2,707,112	17,921,175
Fund Balances:		
Nonspendable	-	403,015
Restricted	9,004,256	28,650,330
Assigned	5,892,228	24,760,989
Unassigned	(15,028)	17,630,623
Total Fund Balances:	14,881,456	71,444,957
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 17,741,252	\$ 93,186,417

(Continued) Page 3 of 3

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2019

<b>Total Governmental Fund Balances</b>	\$	71,444,957
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets (\$243,013,306), net of accumulated depreciation (\$65,916,781), used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		177,096,525
Long-term liabilities, including bonds payable, bond interest payable, and compensated absences, are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.		(13,704,939)
Long-term pension liability, which is based on GASB 68 reporting requirements, is not due and payable in the current period and therefore is not reported in the governmental fund financial statements.		
Net pension liability		(11,870,571)
Deferred outflows, related to pension expense		4,359,476
Deferred inflows, related to pension expense		(426,120)
Long-term OPEB liability, which is based on GASB 75 reporting requirements, is not due and payable in the current period and therefore is not reported in the governmental fund financial statements.		
Net OPEB liability		(478,141)
Deferred outflows, related to OPEB expense		120,554
Adjustment to deferred inflows of resources for grant receivables, miscellaneous receivables, long-term loan payments, accrued interest, and new loans.		17,921,175
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>244,462,916</u></b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF TRUCKEE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Measure R Trails Fund</u>	<u>Traffic Impact Fees Fund</u>
<b>Revenues</b>				
Taxes and assessments	\$ 22,157,774	\$ -	\$ 1,333,892	\$ -
Licenses and permits	233,771	-	-	-
Fines and forfeitures	157,670	-	-	-
Use of money and property	1,192,991	-	108,760	224,574
Intergovernmental revenues	2,026,791	542,155	-	-
Charges for services	1,366,433	-	-	2,178,803
Other revenues	393,355	971,334	-	-
Total Revenues:	<u>27,528,785</u>	<u>1,513,489</u>	<u>1,442,652</u>	<u>2,403,377</u>
<b>Expenditures</b>				
Current:				
General Government	4,766,294	788,321	-	-
Public Safety	6,266,858	-	-	-
Public Works	6,777,937	563,189	15	6,204
Community Development	1,062,278	-	-	-
Facilities	1,409,768	-	-	-
Capital Outlay:	36,860	14,192,386	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures:	<u>20,319,995</u>	<u>15,543,896</u>	<u>15</u>	<u>6,204</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>7,208,790</u>	<u>(14,030,407)</u>	<u>1,442,637</u>	<u>2,397,173</u>
Other financing sources (uses):				
Transfers in	2,185,651	13,591,610	-	-
Transfers out	<u>(6,708,130)</u>	<u>-</u>	<u>(114,007)</u>	<u>(731,011)</u>
Total Other financing sources (uses):	<u>(4,522,479)</u>	<u>13,591,610</u>	<u>(114,007)</u>	<u>(731,011)</u>
Net Change in Fund Balances:	2,686,311	(438,797)	1,328,630	1,666,162
Fund Balances - Beginning, as previously reported:				
Prior period adjustment (Note 7)	-	-	(123,279)	-
Fund Balance - Beginning:	34,336,116	595,245	2,973,922	6,058,737
Fund Balances - Ending:	<u>\$ 37,022,427</u>	<u>\$ 156,448</u>	<u>\$ 4,302,552</u>	<u>\$ 7,724,899</u>

**TOWN OF TRUCKEE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Debt Service Fund</u>	<u>Measure V Road Maintenance Fund</u>	<u>HOME Grant Fund</u>	<u>Town Special Service Areas Fund</u>
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ 2,693,911	\$ -	\$ 775,684
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	107,968	-	179,807
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	86,377	-	-	-
<b>Total Revenues:</b>	<u>86,377</u>	<u>2,801,879</u>	<u>-</u>	<u>955,491</u>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	4,755	-	6,132
Community Development	-	-	-	-
Facilities	-	-	-	-
Capital Outlay:	-	-	-	-
Debt service:				
Principal	379,000	-	-	-
Interest	551,508	-	-	-
<b>Total Expenditures:</b>	<u>930,508</u>	<u>4,755</u>	<u>-</u>	<u>6,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(844,131)</u>	<u>2,797,124</u>	<u>-</u>	<u>949,359</u>
Other financing sources (uses):				
Transfers in	930,508	-	-	-
Transfers out	(86,377)	(3,721,587)	-	(1,334,146)
<b>Total Other financing sources (uses):</b>	<u>844,131</u>	<u>(3,721,587)</u>	<u>-</u>	<u>(1,334,146)</u>
<b>Net Change in Fund Balances:</b>	<u>-</u>	<u>(924,463)</u>	<u>-</u>	<u>(384,787)</u>
Fund Balances - Beginning, as previously reported:	-	2,652,301	-	5,890,845
Prior period adjustment (Note 7)	-	123,279	-	-
<b>Fund Balance - Beginning:</b>	<u>-</u>	<u>2,775,580</u>	<u>-</u>	<u>5,890,845</u>
<b>Fund Balances - Ending:</b>	<u>\$ -</u>	<u>\$ 1,851,117</u>	<u>\$ -</u>	<u>\$ 5,506,058</u>

(Continued) Page 2 of 3

The notes to the financial statements are an integral part of this statement.

**TOWN OF TRUCKEE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Taxes and assessments	\$ 2,298,747	\$ 29,260,008
Licenses and permits	-	233,771
Fines and forfeitures	-	157,670
Use of money and property	204,738	2,018,838
Intergovernmental revenues	1,179,730	3,748,676
Charges for services	582,747	4,127,983
Other revenues	371,627	1,822,693
<b>Total Revenues:</b>	<b>4,637,589</b>	<b>41,369,639</b>
<b>Expenditures</b>		
Current:		
General Government	-	5,554,615
Public Safety	72,624	6,339,482
Public Works	89,477	7,447,709
Community Development	48,273	1,110,551
Facilities		1,409,768
Capital Outlay:	297,439	14,526,685
Debt service:		
Principal	-	379,000
Interest	-	551,508
<b>Total Expenditures:</b>	<b>507,813</b>	<b>37,319,318</b>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures:	4,129,776	4,050,321
Other financing sources (uses):		
Transfers in	343,404	17,051,173
Transfers out	(4,227,263)	(16,922,521)
<b>Total Other financing sources (uses):</b>	<b>(3,883,859)</b>	<b>128,652</b>
<b>Net Change in Fund Balances:</b>	<b>245,917</b>	<b>4,178,973</b>
Fund Balances - Beginning, as previously reported:		
Prior period adjustment (Note 7)	-	-
<b>Fund Balance - Beginning:</b>	<b>14,635,539</b>	<b>67,265,984</b>
Fund Balances - Ending:		
	<b>\$ 14,881,456</b>	<b>\$ 71,444,957</b>

(Continued) Page 3 of 3

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

JUNE 30, 2019

The schedule below reconciles the net changes in fund balances reported on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the changes in net position of governmental activities reported in the Statement of Activities, which is prepared on the full accrual basis.

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 4,178,973</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$14,526,685) exceeded depreciation expense (\$7,405,971) in the current period.	7,120,714
Governmental funds do not report infrastructure additions for contributed capital. This is the amount of contributed capital reported as an asset and revenue in the government-wide financial statements.	5,128,464
Some revenues reported in the Statement of Activities will not be collected for several months after the Town's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental fund financial statements (\$599,424). Some revenues reported in prior year Statement of Activities were recognized in the governmental funds in current year (\$286,958).	312,477
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the net amount of proceeds less principal repayments.	379,000
Repayment of long-term receivables is treated as revenue in the governmental fund financial statements, but the repayment reduces long-term receivables in the Statement of Net Position. Issuance of long-term receivables is treated as an expenditure in the governmental fund financial statements, but the issuance increases long-term receivables in the Statement of Net Position. Also, interest accrued on long-term loans increases unearned revenue in the governmental funds, but increases revenue in the Statement of Activities.	
Loan program receipts	(407,065)
Loans made during the year	56,700
Long-term loan interest accrual	463,888
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund financial statements.	
Change in compensated absences	(131,445)
Amortization of bond discount, cost of issuance and refunding difference	1,285
Increase of pension expense based on GASB 68 adjustments	(985,914)
Other post-employment benefits	(1,635)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 16,115,442</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2019

	Enterprise Funds		
	Parking Fund	Transit Fund	Solid Waste Fund
<b>Assets</b>			
Current Assets:			
Cash and investments	\$ 1,714,101	\$ 229,939	\$ 910,546
Accounts receivable, net of allowance	33,026	390,698	232,877
Interest receivable	6,514	402	2,182
Prepaid costs	4,899	-	-
Total Current Assets:	<u>1,758,540</u>	<u>621,039</u>	<u>1,145,605</u>
Noncurrent Assets:			
Capital assets:			
Depreciable capital assets	131,932	1,193,987	32,007
Less: accumulated depreciation	<u>(56,744)</u>	<u>(725,669)</u>	<u>(31,941)</u>
Total Noncurrent Assets:	<u>75,188</u>	<u>468,318</u>	<u>66</u>
Total Assets:	<u>1,833,728</u>	<u>1,089,357</u>	<u>1,145,671</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows	41,349	37,311	21,142
Total Deferred Outflows of Resources:	<u>41,349</u>	<u>37,311</u>	<u>21,142</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	14,648	47,653	330,836
Deposits payable	-	-	-
Unearned revenue	-	604,108	-
Compensated absences	9,016	378	1,371
Total Current Liabilities:	<u>23,664</u>	<u>652,139</u>	<u>332,207</u>
Noncurrent Liabilities:			
Net pension liability	128,388	111,801	77,399
Net OPEB liability	7,443	1,963	5,194
Compensated absences	19,545	14,783	10,915
Total Noncurrent Liabilities:	<u>155,376</u>	<u>128,547</u>	<u>93,508</u>
Total Liabilities:	<u>179,040</u>	<u>780,686</u>	<u>425,715</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows	13,864	12,534	13,562
Total Deferred Inflows of Resources:	<u>13,864</u>	<u>12,534</u>	<u>13,562</u>
<b>Net Position</b>			
Net investment in capital assets	75,188	468,318	66
Unrestricted	1,606,985	(134,870)	727,470
Total Net Position:	<u>\$ 1,682,173</u>	<u>\$ 333,448</u>	<u>\$ 727,536</u>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)  
JUNE 30, 2019

	Enterprise Funds	
	Building and Safety Fund	Total
<b>Assets</b>		
Current Assets:		
Cash and investments	\$ 2,842,099	\$ 5,696,685
Accounts receivable, net of allowance	2,461	659,062
Interest receivable	9,500	18,598
Prepaid costs	-	4,899
Total Current Assets:	<u>2,854,060</u>	<u>6,379,244</u>
Noncurrent Assets:		
Capital assets:		
Depreciable capital assets	355,926	1,713,852
Less: accumulated depreciation	<u>(275,557)</u>	<u>(1,089,911)</u>
Total Noncurrent Assets:	<u>80,369</u>	<u>623,941</u>
Total Assets:	<u>2,934,429</u>	<u>7,003,185</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows	122,972	222,774
Total Deferred Outflows of Resources:	<u>122,972</u>	<u>222,774</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	46,387	439,524
Deposits payable	13,430	13,430
Unearned revenue	-	604,108
Compensated absences	4,997	15,762
Total Current Liabilities:	<u>64,814</u>	<u>1,072,824</u>
Noncurrent Liabilities:		
Net pension liability	360,606	678,194
Net OPEB liability	41,697	56,297
Compensated absences	45,057	90,300
Total Noncurrent Liabilities:	<u>447,360</u>	<u>824,791</u>
Total Liabilities:	<u>512,174</u>	<u>1,897,615</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows	57,230	97,190
Total Deferred Inflows of Resources:	<u>57,230</u>	<u>97,190</u>
<b>Net Position</b>		
Net investment in capital assets	80,369	623,941
Unrestricted	2,407,628	4,607,213
Total Net Position:	<u>\$ 2,487,997</u>	<u>\$ 5,231,154</u>

(Continued) Page 2 of 2

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Funds		
	Parking Fund	Transit Fund	Solid Waste Fund
<b>Operating Revenues</b>			
Charges for services	\$ 862,340	\$ 91,969	\$ 4,176,813
Fines and forfeitures	51,095	-	-
Other revenues	50	187,501	-
Total Operating Revenues:	<u>913,485</u>	<u>279,470</u>	<u>4,176,813</u>
<b>Operating Expenses</b>			
Salaries and benefits	240,924	142,405	251,966
Services and supplies	318,233	986,087	3,853,432
Depreciation	9,970	74,049	133
Total Operating Expenses:	<u>569,127</u>	<u>1,202,541</u>	<u>4,105,531</u>
Operating Income (Loss):	<u>344,358</u>	<u>(923,071)</u>	<u>71,282</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental revenues	-	821,802	10,000
Interest income	33,065	2,364	8,354
Total Nonoperating Revenues (Expenses):	<u>33,065</u>	<u>824,166</u>	<u>18,354</u>
Income (Loss) Before Contributions and Transfers:	<u>377,423</u>	<u>(98,905)</u>	<u>89,636</u>
Transfers in	8,368	24,813	-
Transfers out	(141,205)	-	-
Change in Net Position:	<u>244,586</u>	<u>(74,092)</u>	<u>89,636</u>
Total Net Position - Beginning, as previously reported	1,437,587	407,540	879,278
Prior Period Adjustment (Note 7)	-	-	(241,378)
Total Net Position - Beginning	<u>1,437,587</u>	<u>407,540</u>	<u>637,900</u>
Total Net Position - Ending:	<u>\$ 1,682,173</u>	<u>\$ 333,448</u>	<u>\$ 727,536</u>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Funds	
	Building and Safety Fund	Total
<b>Operating Revenues</b>		
Charges for services	\$ 1,868,375	\$ 6,999,497
Fines and forfeitures	7,082	58,177
Other revenues	7,693	195,244
Total Operating Revenues:	<u>1,883,150</u>	<u>7,252,918</u>
<b>Operating Expenses</b>		
Salaries and benefits	833,980	1,469,275
Services and supplies	561,698	5,719,450
Depreciation	17,750	101,902
Total Operating Expenses:	<u>1,413,428</u>	<u>7,290,627</u>
Operating Income (Loss):	<u>469,722</u>	<u>(37,709)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Intergovernmental revenues	-	831,802
Interest income	76,637	120,420
Total Nonoperating Revenues (Expenses):	<u>76,637</u>	<u>952,222</u>
Income (Loss) Before Contributions and Transfers:	546,359	914,513
Transfers in	-	33,181
Transfers out	<u>(20,628)</u>	<u>(161,833)</u>
Change in Net Position:	525,731	785,861
Total Net Position - Beginning, as previously reported	1,962,266	4,686,671
Prior Period Adjustment (Note 7)	-	<u>(241,378)</u>
Total Net Position - Beginning	<u>1,962,266</u>	<u>4,445,293</u>
Total Net Position - Ending:	<u>\$ 2,487,997</u>	<u>\$ 5,231,154</u>

(Continued) Page 2 of 2

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Funds		
	Parking	Transit	Solid Waste
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 925,113	\$ 266,830	\$ 4,195,462
Payments to suppliers	(315,397)	(989,565)	(3,828,847)
Payments to employees	(225,711)	(135,917)	(237,975)
Net Cash Provided by (Used for) Operating Activities:	<u>384,005</u>	<u>(858,652)</u>	<u>128,640</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Intergovernmental revenues	-	1,111,108	10,000
Transfers from/(to) other funds	(132,837)	24,813	
Interfund loans repaid	-	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities:	<u>(132,837)</u>	<u>1,135,921</u>	<u>10,000</u>
<b>Cash Flows from Capital and Related Financing</b>			
Acquisition of capital assets	-	(78,451)	-
Net Cash Used for Capital and Related Financing Activities:	<u>-</u>	<u>(78,451)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	30,292	2,284	7,786
Net Cash Provided by Investing Activities:	<u>30,292</u>	<u>2,284</u>	<u>7,786</u>
Net Increase in Cash and Cash Equivalents	281,460	201,102	146,426
Cash and Cash Equivalents - Beginning of the Year	1,432,641	28,837	764,120
Cash and Cash Equivalents - End of the Year	<u>\$ 1,714,101</u>	<u>\$ 229,939</u>	<u>\$ 910,546</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</b>			
Operating income (loss)	\$ 344,358	\$ (923,071)	\$ 71,282
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	9,970	74,049	133
Pension	13,344	9,534	9,802
<b>Decrease (increase) in:</b>			
Accounts receivable	11,628	(12,640)	18,649
Prepaid expenses	3,316	-	-
<b>Increase (decrease) in:</b>			
Accounts payable	(480)	(3,478)	24,585
Salaries and benefits payable	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Compensated absences	1,869	(3,046)	4,189
Net Cash Provided by (Used for) Operating Activities:	<u>\$ 384,005</u>	<u>\$ (858,652)</u>	<u>\$ 128,640</u>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Funds	
	Building and Safety	Total
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 1,887,653	\$ 7,275,058
Payments to suppliers	(544,013)	(5,677,822)
Payments to employees	(797,835)	(1,397,438)
Net Cash Provided by (Used for) Operating Activities:	<u>545,805</u>	<u>199,798</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Intergovernmental revenues	-	1,121,108
Transfers from/(to) other funds	(20,628)	(128,652)
Interfund loans repaid	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities:	<u>(20,628)</u>	<u>992,456</u>
<b>Cash Flows from Capital and Related Financing</b>		
Acquisition of capital assets	-	(78,451)
Net Cash Used for Capital and Related Financing Activities:	<u>-</u>	<u>(78,451)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received on investments	72,753	113,115
Net Cash Provided by Investing Activities:	<u>72,753</u>	<u>113,115</u>
Net Increase in Cash and Cash Equivalents	597,930	1,226,918
Cash and Cash Equivalents - Beginning of the Year	2,244,169	4,469,767
Cash and Cash Equivalents - End of the Year	<u>\$ 2,842,099</u>	<u>\$ 5,696,685</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</b>		
Operating income (loss)	\$ 469,722	\$ (37,709)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>		
Depreciation	17,750	101,902
Pension	28,760	61,440
<b>Decrease (increase) in:</b>		
Accounts receivable	1,061	18,698
Prepaid expenses	-	3,316
<b>Increase (decrease) in:</b>		
Accounts payable	17,685	38,312
Salaries and benefits payable	-	-
Unearned revenue	-	-
Deposits payable	3,442	3,442
Compensated absences	7,385	10,397
Net Cash Provided by (Used for) Operating Activities:	<u>\$ 545,805</u>	<u>\$ 199,798</u>

(Continued) Page 2 of 2

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF NET POSITION - FIDUCIARY FUND  
JUNE 30, 2019

	<b>Redevelopment Successor Agency Fund</b>
<b>Assets</b>	
Investments, held with trustees	\$ 1,928,643
Accounts receivable	12,809
Interest receivable	1,436
Notes receivable	383,360
Capital assets:	
Depreciable capital assets	217,816
Less: accumulated depreciation	(217,816)
Total Capital assets:	-
Total Assets:	2,326,248
<b>Liabilities</b>	
Accounts payable	94
Interest payable	201,052
Long-term liabilities:	
Due within one year	159,897
Due in more than one year	12,046,800
Total Long-term liabilities:	12,206,697
Total Liabilities:	12,407,843
<b>Net Position</b>	
Held in trust for other purposes	(10,081,595)
Total Net Position:	\$ (10,081,595)

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Redevelopment Successor Agency Fund</b>
<b>Additions</b>	
Property taxes	\$ 708,831
Use of money and property	38,926
Other revenue	287,110
Total Additions:	1,034,867
<b>Deductions</b>	
Program expenses	2,803
Administrative expenses	250,000
Interest and fiscal agency expenses	727,638
Noncash expenses: amortization, loan forgiveness	25,730
Total Deductions:	1,006,171
Change in Net Position:	28,696
Net Position - Beginning	(10,110,291)
Net Position - Ending:	\$ (10,081,595)

The notes to the financial statements are an integral part of this statement.

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**BASIC FINANCIAL STATEMENTS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS

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TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The fiduciary activities are only reported in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers to continue operations. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The Town of Truckee (Town) incorporated on March 23, 1993 and became a charter city on September 15, 1995. It is governed under the laws governing charter cities and other applicable state statutes. The Town operates under a Council form of government and provides the following services: public safety, maintenance of roadways, public improvements, community planning, zoning, general administrative services, solid waste, building and safety, parking, and transit.

The governmental reporting entity consists of the Town (Primary Government) and its component units. Component units are legally separate organizations for which the Primary Government, and therefore the Council, is financially accountable. Additionally, they are other organizations whose component unit nature and significant relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the Town's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Town.

Reporting for component units on the Town's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the Town's operations, and therefore, data from these units are combined with data of the primary government. Discretely presented component units would be reported in a separate column in the government-wide financial statements to emphasize that the unit is legally separate from the primary government.

For financial reporting purposes, the Town's basic financial statements include all activities that are controlled by or are dependent upon the actions taken by the Town Council.

**Blended Component Units**

Component Units that are blended into the reporting activity types of the Town's report are presented below:

Truckee Public Financing Authority

The Truckee Public Financing Authority is a public agency created under a joint exercise of powers agreement between the Town and the former Town of Truckee Redevelopment Agency (now the Redevelopment Successor Agency). The governing body is substantially the same as the primary government, and the Town and the component unit are financially interdependent. Because the unit meets all criteria of a component unit, the unit is presented by blending with the primary government. Separate audited financial statements for the Truckee Public Financing Authority are not issued.

Debt of the Truckee Public Financing Authority related to Town operations is shown as long-term debt of the Town. Debt related to the Redevelopment Successor Agency is shown as debt of the fiduciary fund.

**Discretely Presented Component Units**

There are no component units of the Town that meet the criteria for discrete presentation.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Basis of Presentation

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the primary government, the Town, and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the Town's business-type activities and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore are clearly identifiable to a particular function. Program revenues include (i) charges paid by the recipient of goods and services offered by the program and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets both of the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of that individual governmental or proprietary fund are at least 10% of the corresponding total for all funds of that category or type; and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of the individual governmental or proprietary fund are at least 5% of the corresponding total for all governmental and proprietary funds combined.

The Town reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the Town that are not accounted for through other funds. For the Town, the General Fund includes such activities as public safety, maintenance of streets, public improvements, planning, zoning, and general administrative services.
- The Capital Projects Fund is used to account for the expenditures of major capital acquisitions and construction undertaken by the Town. Expenditures are funded via transfer of resources from various Town special revenue funds, enterprise funds and the General Fund, as well as receipt of grant funds and miscellaneous private contributions.
- The Measure R Trails Fund is a special revenue fund used to account for revenue and expenditures related to a ¼ percent sales and use tax, passed in June of 2014. The revenues generated by this sales tax are collected for use in trail construction and maintenance within the Town boundaries.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- The Traffic Impact Fees Fund is a special revenue fund used to account for traffic impact fee revenues and the associated expenditures. The impact fees are collected along with permitting fees for specific development projects in the Town and are used to offset the traffic impacts on existing Town roads caused by the new development.
- The Debt Service Fund is a special revenue fund used to track payment of debt principal and interest on the Town's outstanding bonds. This fund receives transfers in of resources from other Town funds (primarily the General Fund) to meet the payment obligations.
- The Measure V Road Maintenance Fund is a special revenue fund used to account for revenue and expenditures related to a ½ percent sales and use tax, passed in November of 2008. These funds are collected for use on road maintenance and related infrastructure within the Town.
- HOME Grant Fund is a special revenue fund used to account for activity of various HOME grant programs facilitated by the town to fund long-term down payment assistance loans for low/very low-income housing units.
- The Town Special Service Area (TSSA) Funds are collected as part of property tax in certain Town neighborhoods and are available for use on enhanced road and transportation related maintenance services within those areas.

The Town reports the following proprietary funds:

- The Parking Fund is an enterprise fund used to account for the operation of the Town's downtown parking facilities.
- The Transit Fund is an enterprise fund used to account for the operations of public transportation.
- The Solid Waste Fund is an enterprise fund used to account for regular garbage collection services, collection of yard waste, and a recycling program. Services are provided to residences and business on a user charge basis.
- The Building and Safety Fund is an enterprise fund used to account for the operations of the department in enforcing State and Town laws and regulations concerning the safety of structures.

The Town reports the following fiduciary fund:

- The Redevelopment Successor Agency (RSA) Fund is used to account for the activities of the former Truckee Redevelopment Agency formed in accordance with State law.

**C. Basis of Accounting and Measurement Focus**

The government-wide and proprietary fund financial statements are reported using the economic resource focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized in the period in which the underlying transaction takes place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period. This is the criteria for receipts to be both considered measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources

Operating expenses for proprietary enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. These funds share characteristics with both governmental and proprietary funds. Therefore, fiduciary funds use the measurements focus and basis of accounting most appropriate to their specific operations.

D. Budgetary Information

*Budgetary Basis of Accounting:* Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Capital Projects Fund, the Measure R Trails Fund, the Traffic Impact Fees Fund, the Measure V Road Maintenance Fund, and the Town Special Service Areas Fund. The HOME Grant Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards).

The appropriated budget is prepared by fund, function and department. The Town of Truckee's Town Manager can make transfers within a division. Transfers between funds requires approval of the Council. The legal level of budget control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

E. Cash and Cash Equivalents

For purposes of the accompanying statements of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the Town's investment pool, to be cash equivalents.

F. Investments

The Town pools cash and investments of all funds except for amounts held by fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the Town to invest its cash surplus in obligations of the U.S. treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated based on average month end cash balance amounts for each fund as a percentage of the total balance. Income from non-pooled investments is recorded based on specific investments held by the fund. Interest income is recorded in the fund that earned the interest.

The Town categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town does not have any investments that are measured using Level 3 inputs. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fair value measurements of the Town's investments in Agency, Commercial Paper, US Corporate and US Treasury totaled \$27,408,215 as of June 30, 2019. They were valued based on Level 2 inputs.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, loans and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are recorded as deferred inflows in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned, but only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest receivables compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

H. Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consideration. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is an increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in the expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 F for details of interfund transactions, including receivables and payables at year-end.

I. Inventory and Prepaid Costs

Governmental fund inventories are recorded as expenditures at the time the inventory is purchased. Inventory is valued at net realizable value. Due to this valuation method, some items are valued above cost. The overall increase in inventory value due to this valuation method is immaterial. The Town's inventory balance includes supplies used in the road maintenance, snow removal, and fleet divisions of the public works department. Change in the inventory balance is reported as a direct adjustment to public works expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods. These costs are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

TOWN OF TRUCKEE, CALIFORNIA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

J. Loans Receivable

For the purposes of the fund financial statements, general fund, HOME grant fund and special revenue fund expenditures relating to loans receivable arising from mortgage subsidy programs and other loan programs are charged to operations at the time of funding when the loans are recorded. Loans receivables include loans for which repayment is deferred or for which repayment may be forgiven, if certain terms or conditions of the loans are met.

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks) are defined by the Town as an asset with an expected life greater than one year and a cost greater than \$5,000.

Property, plant and equipment have been stated at actual cost. Infrastructure assets, including roads, have been stated at historical cost, beginning with the fiscal year 1997. Contributed capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset nor materially extend the life of the asset are not capitalized.

The accounting treatment over capital assets depends on whether the assets are used in operations accounted for in a governmental fund or in a proprietary fund, as well as whether or not they are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

In the government-wide financial statements, property, plant, and equipment assets are accounted for as capital assets.

Depreciation of all exhaustible capital assets (i.e., assets with a finite useful life) is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is recorded over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Equipment	4 – 25 years
Structures and improvements	25 – 60 years
Infrastructure	15 – 25 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund at the time of acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

M. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations, as well as whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from the governmental or business-type resources is reported as a liability in the government-wide financial statements. The long-term debt consists of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources. Payment of principal and interest is reported as an expenditure. The accounting for debt in the proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

N. Compensated Absences

The Town's policy regarding compensated absences is to permit employees to accumulate a limited amount of earned but unused vacation leave, compensatory time, and vested sick time. The liability for these compensated absences is determined annually and recorded as long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature, as a result of employee resignation or retirement. The Town includes its share of Medicare taxes payable on behalf of the employees is included in the accrual of compensated absences

Compensated absences are liquidated by the fund that has recorded the liability. Governmental activities compensated absences are liquidated primarily by the General Fund and business-type activity compensated absences are liquidated by the respective enterprise fund.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and the pension expense, information about the fiduciary net position of the Town's California Public Employee's Retirement System (CalPERS) plan (the Plan) and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported a fair value.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Town's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date June 30, 2017  
Measurement Date June 30, 2018  
Measurement Period July 1, 2017 to June 30, 2018

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Q. Net Position/Fund Balances

The government-wide and business-type activity financial statements utilize a net position presentation. Net position is categorized as net investment in capital, restricted and unrestricted.

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted resources – Consists of resources with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, laws, or regulations of other governmental agencies; or (ii) law through constitutional provision or enabling legislation. Resources restricted for other purposes included \$6,153,669 restricted by enabling legislation (i.e., Measure V and R).
- Unrestricted resources – All other resources that do not meet the definition of “restricted” or “net investment in capital assets”.

*Net Position Flow Assumptions:* The Town of Truckee does on occasion fund outlays for a particular purpose from both restricted and unrestricted resources. When both restricted and unrestricted resources are available, restricted – net position is considered depleted before unrestricted – net position.

At June 30, 2019, the Town had recorded restricted resources in governmental activities as follows:

Restricted for:	
Capital Projects	\$ 5,808,336
Debt Service	24,321,341
Grants, taxes, and fees	4,355,890
Total Restricted	\$ 34,485,567

Beginning in fiscal year 2011, the Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following Classifications describe the relative strength of the spending constraints:

- *Non-spendable* – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to remain intact. For the Town, these amounts include inventory and prepaid assets.
- *Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws/regulations of another government.
- *Committed* – Amounts that can be used only for specific purposes determined by a formal action of Town Council. The Town Council is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council. The Town did not have any committed resources as of June 30, 2019.
- *Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but are intended for use for specific purposes. This intent can be expressed by the Town Council or by an official or body to whom the Town Council delegates authority.
- *Unassigned* – Amounts not included in other spendable classifications. Positive amounts are reported only in the General Fund.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Fund Balance Flow Assumptions:* On occasion, the Town has outlays for which both restricted and unrestricted amounts (i.e., total committed, assigned and unassigned fund balance) could be used. When such an outlay occurs, the Town considers unrestricted fund balance depleted before restricted fund balance. When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Town considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

*Fund Balance Policies:* The Town Council establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the adoption and amendment of the budget. Assigned fund balances are established by the Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fleet equipment, construction, litigation, pavement management, etc).

As of June 30, 2019, restricted fund balances included:

- *Self-Insured Retention* – To reflect funds held to cover the deductible on self-insurance programs.
- *Special Revenue Fund Balances* – To reflect funds restricted to a specific purpose based on the nature of the fund.

As of June 30, 2019, assigned fund balances in the following governmental funds included:

- *General Fund* – To reflect the Town Council’s intention to set aside funds for general fund operation contingencies, litigation, designations related to long-term pavement management, to assist with economic development, for streetscaping construction, to assist with low-cost or workforce housing projects, acquisitions of open space, and capital facilities and improvement needs.
- *CDBG Miscellaneous Income* – To reflect the Town Council’s intention to set aside funds for housing related expenditures.
- *Fleet Replacement Fund* – To reflect the Town Council’s intention to set aside funds for replacement of the Town’s vehicle and equipment fleet based on the Town’s fleet management plan.

R. Property Tax Levy, Collection and Maximum Rates

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate at any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by the voters. Assessed value is calculated at 100% of market value, as defined in Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred.

The State Legislature has determined the method of distribution of receipts for the 1% tax levy among the county, cities, school districts and other districts.

The County of Nevada (County) assesses, bills for and collects property taxes along the following schedule:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date	January 1 <sup>st</sup>	January 1 <sup>st</sup>
Levy Date	January 1 <sup>st</sup>	January 1 <sup>st</sup>
Due Dates	November 1 <sup>st</sup> (1 <sup>st</sup> installment) February 1 <sup>st</sup> (2 <sup>nd</sup> installment)	July 1 <sup>st</sup>
Delinquent Dates	December 10 <sup>th</sup> (1 <sup>st</sup> installment) April 10 <sup>th</sup> (2 <sup>nd</sup> installment)	August 31 <sup>st</sup>

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The term “unsecured” refers to taxes on personal property other than land or buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after the fiscal year-end.

The County of Nevada apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as prescribed by Section 4717 of the California Revenue and Taxation Code. Therefore, the Town receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Entities/counties not using the Teeter Plan, allocate out interest and penalties collected along with delinquent property taxes to the agencies based on their pro rata share of delinquent property tax collected. Unsecured delinquent taxes are considered fully collectible.

S. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditures and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if accrual criteria are met. Cash received prior to incurrence of related expenditures is recorded as unearned revenue.

T. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Government Funds – By Character
  - Current (further classified by function)
  - Capital Outlay
  - Debt Service
- Proprietary Fund – By Operating and Non-Operating

U. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America require that management make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Future Government Accounting Standards Board Statements

The Government Accounting Standards Board (GASB) statements are not effective until July 1, 2019 or later. The Town has not determined the effects of these statements on the financial statements.

**Government Accounting Standards Board Statement No. 84**

In January of 2017, GASB issued Statement 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The general focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town’s fiscal year ending June 30, 2020.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Government Accounting Standards Board Statement No. 87**

In June of 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2021.

**Government Accounting Standards Board Statement No. 89**

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest costs incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2021.

**Government Accounting Standards Board Statement No. 90**

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests* - an amendment of GASB Statements No. 14 and No. 61. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interest reported as an investment and majority equity interest reported as a component unit of the governmental entity. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2020.

**Government Accounting Standards Board Statement No. 91**

In May 2019, GASB Issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations (CDO) by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosers. The statement clarifies the existing definition of a CDO; establishes that a CDO is not a liability of the issuer; establishes standards for accounting and financial reporting of commitments and arrangements associated with CDOs; and improves note disclosers. The Town has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Town's fiscal year ending June 30, 2022.

W. Current GASB Implementation

**Government Accounting Standards Board Statement No. 83**

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has a legal obligation to perform asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. Application of this statement is effective for the Town's fiscal year ending June 30, 2019. Adoption of this statement has no impact on the Town's financial position.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Government Accounting Standards Board Statement No. 88**

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, Including Direct Borrowings and Direct Placements. The objective of this statement is to clarify which liabilities governments should include in their note disclosures related to debt. GASB is requiring debt borrowings and direct placements to be presented separately because they may expose a government to risks that are different from, or in addition to, risks related to other types of debt. The new standard also requires the disclosure of additional essential debt-related information for all types of debt, including amounts of unused lines of credit and assets pledged as collateral for debt. Also required to be disclosed are terms specified in debt agreements related to: (1) significant events of default with finance-related consequences, (2) significant termination events with finance-related consequences, (3) significant subjective acceleration clauses. The long-term debt notes section has been updated to include disclosures required by this statement. The Town has adopted this standard as of July 1, 2018. Adoption of this standard has no impact on the Town's financial position.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A. Deficit Fund Balance/Net Position

The following funds had a deficit fund balance at June 30, 2019:

Non-Major Governmental Funds:

The Joerger Ranch Maintenance Fund and the Railyard Maintenance Fund had fund balance deficits of \$8,879 and \$6,149, respectively. These funds owe the General Fund for the staff time related to setting up the community facilities districts associated with the funds. The associated property tax collections will not begin until fiscal year 2021 or later.

B. GANN Spending Limit

Under Article XIII B of the California Constitution (the GANN Spending Limitation), the Town is restricted as to the amount of annual appropriations from proceeds of taxes, and of proceeds of taxes allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised tax schedules, or other refund arrangements.

For the fiscal years ended June 30, 2008 forward, the Gann Limit Calculation was calculated, based upon the advice of legal counsel, to exclude police and animal control services expenses from the appropriations subject to the limit.

**NOTE 3: DETAILED NOTES**

A. Cash and Investments

The Town pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The Town's investments are reported at fair value, as required by generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect fair value at each fiscal year end, and includes the effects of those adjustments in income for the fiscal year.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

Total cash and investments are presented on the Town's financial statements as follows:

Governmental Activities:	
Unrestricted Cash and investments	\$ 66,974,944
Restricted Cash and investments	4,283,948
Total Governmental Cash and investments	71,258,892
Business-Type Activities	5,696,685
Total Cash and Investments	\$ 76,955,577

Total cash and investments of the Town at fair value are comprised of the following:

Cash and Deposits:	
Cash on hand	\$ 900
Deposits in Town's depository institutions	2,036,407
Deposits with fiscal agents	331,193
Total Cash and Deposits	2,368,500
Investments:	
In Town's pool	70,634,322
With fiscal agents	3,952,755
Total Investments	74,587,077
Total Cash and Investments	\$ 76,955,577

**Deposits**

The State of California Government Code requires California banks, savings, and loan associations to collateralize a Town's deposits by pledging government securities. The market value of pledged securities must equal at least 110% of a Town's deposits. California law also allows financial institutions to collateralize Town deposits by pledging first trust deed mortgage notes having a value of 150% of a Town's total deposits. The Town may waive collateral requirements for deposits, which are fully insured up to the \$250,000 Federal Deposit insurance amount.

At year-end, the carrying amount of the Town's cash deposits (including only checking accounts and money market accounts) was \$2,036,407 and the bank balance was \$2,523,586. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, including bond trust funds, \$842,309 was covered by federal deposit insurance and \$1,681,277 was uninsured and collateralized (i.e., collateralized with securities held by the pledging financial institution at 110% of the deposits, in accordance with the State of California Government Code, deemed to be held in the Town's name).

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

**Investments**

The Town adopts an investment policy annually. Authorized investments include:

Investment Category	Standard
U.S. Government (Agency) Securities	5 years
Federal Agency Obligations	35% per issuer; 5 years
Banker's Acceptances	A-1/P-1/F-1 rated; 40% maximum; 5% per Issuer; 180 days
Commercial Paper	A-1/P-1/F-1 rated; and >A-rated long term ratings; 25% maximum; 5% per issuer; 270 days
Negotiable CDs	A-1/P-1/F-1 rated; 30% maximum; 5% per issuer; 5 years
CDs and Time Deposits	30% maximum; 5% per issuer; 5 years
Passbook Deposits	1 year
Medium Term Notes	>A-rated; 30% maximum; 5% per issuer; 5 years
Money Market Funds	AAA/Aaa rated; assets greater than \$500M; 20% maximum
Mortgage Pass	>AA-rated; 20% maximum; 5 years
Municipal Securities	>A-rated issuer; 5% maximum; 5 years
Repurchase Agreements	A rated primary dealers; 30% maximum; 1 year
Supranationals	>AA-rated; 30% maximum; 5 years
LAIF	>\$65M

As of June 30, 2019, the Town had the following investments:

Investment Category	Maturities			Fair Value	Weighted Average Maturity (Years)
	0 - 1 year	1 - 5 years	Over 5 years		
U.S. Government Agency Securities	\$ 8,878,095	\$ 9,878,558	\$ -	\$ 18,756,653	0.39
Medium Term Notes	3,789,838	4,861,724	-	8,651,562	0.15
Local Agency Investment Fund (LAIF)	47,178,862	-	-	47,178,862	-
<b>Total Investments</b>	<b>\$ 59,846,795</b>	<b>\$ 14,740,282</b>	<b>\$ -</b>	<b>\$ 74,587,077</b>	<b>0.12</b>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the amount of time to maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All investments of the Town are invested in accordance with the investment policy of the Town. Of the Town's \$74,587,077 investment portfolio, over 80% of the investments have a maturity of one year or less. Of the remainder, none has a maturity of more than five years. The Town had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2019.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and the Town's investment pool policy limit investments in commercial paper to the rating of A-1 by Standards & Poors or P-1 by Moody's Investor Service. State law also limits investments in corporate bonds to the rating A by both Standards & Poor's and Moody's Investors Service. The Town does not have credit limits on U.S. Government Securities or U.S. Government Agency Securities.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 3: DETAILED NOTES (CONT'D)**

<u>Investments at June 30, 2019</u>	<u>Standard &amp; Poor's</u>	<u>% of Portfolio</u>
Federal Home Loan Mortgage Corporation	AA+	3.1%
Federal Home Loan Bank	AA+	5.0%
Federal National Mortgage Association	AA+	3.1%
Federal Farm Credit Bank	AA+	0.8%
US Treasury	TSY	13.0%
ABS	AAA	1.0%
ABS	N/R	1.1%
Commercial Paper	A-1+	0.6%
Commercial Paper	A-1	0.6%
Negotiable CD	A-1	0.6%
Supranational	AAA	0.6%
Corporate Obligations	A	2.7%
Corporate Obligations	A+	1.2%
Corporate Obligations	A-	0.8%
Corporate Obligations	AA	0.5%
Corporate Obligations	AA-	0.9%
Corporate Obligations	AA+	0.5%
Corporate Obligations	AAA	0.5%
LAIF	Unrated	63.4%
	<b>Total</b>	<u>100.0%</u>

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Town did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

**Concentration of Credit Risk**

Over 25% of the Town's investments at year-end are in the U.S. Government or Agencies issues. There is no limitation on the amounts invested in these types of issues. Of the 9.5% of the portfolio invested in corporate notes and money market funds, no investment in a single issuer exceeds 0.6%.

**Investment in Local Agency Investment Fund**

The Town is a voluntary participant in the State of California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

At June 30, 2019, the Town's investment position in the LAIF was \$47,178,862. The total amount invested by all public agencies in LAIF on that day was \$106,046,486,872. Of that amount, 98.23% is invested in non-derivative financial products and 1.77% in structured notes and asset backed securities.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 3: DETAILED NOTES (CONT'D)**

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 June 30, 2019 are as follows:

Investment Category	Fair Value Measurement Using			
	Fair Value	Level 1 Assets	Level 2 Assets	Level 3 Assets
US Government & Agency Securities	\$ 18,756,653	\$ -	\$ 18,756,653	\$ -
Commercial Paper	916,857	-	916,857	-
Miscellaneous	7,734,705	-	7,734,705	-
Subtotal	\$ 27,408,215	\$ -	\$ 27,408,215	\$ -
LAIF	47,178,862			
Total Investments	\$ 74,587,077			

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

**B. Loans Receivable**

The loans receivable balance includes notes for down payment assistance and for the purchase of land and construction of the Frishman Hollow, Henness Flats and Sierra Pines low/very low income housing complexes. Loans were funded by various grants and developer contributions.

Loans in the governmental funds are treated as expenditures in the year advanced and as revenue in the year repayment is made measurable and available. Loans receivables are recorded in the fund statements but are reported as deferred inflows of resources to indicate that they do not represent current financial resources. In the government-wide statements, loans receivable are recorded at their net realizable value.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

<b>Governmental Activities</b>	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital Assets, Not Being Depreciated:					
Land	\$ 7,165,160	\$ -	\$ -	\$ -	\$ 7,165,160
Right of Way	52,498,355	4,988,824	-	-	57,487,179
Construction in Progress	11,856,841	13,265,624	-	(9,107,103)	16,015,362
<b>Total Capital Assets, Not Being Depreciated</b>	<b>71,520,356</b>	<b>18,254,448</b>	<b>\$ -</b>	<b>(9,107,103)</b>	<b>80,667,701</b>
Capital Assets, Being Depreciated:					
Buildings & Improvements	31,802,108	163,442	(36,549)	-	31,929,001
Equipment	20,935,929	1,237,264	(114,575)	(101,114)	21,957,504
Infrastructure	99,351,997	-	-	9,107,103	108,459,100
<b>Total Capital Assets, Being Depreciated</b>	<b>152,090,034</b>	<b>1,400,706</b>	<b>(151,124)</b>	<b>9,005,989</b>	<b>162,345,605</b>
Less Accumulated Depreciation For:					
Buildings & Improvements	(6,532,945)	(806,414)	36,549	-	(7,302,810)
Equipment	(11,881,742)	(1,227,829)	114,575	101,114	(12,893,882)
Infrastructure	(40,348,361)	(5,371,728)	-	-	(45,720,089)
<b>Total Accumulated Depreciation</b>	<b>\$ (58,763,048)</b>	<b>\$ (7,405,971)</b>	<b>151,124</b>	<b>\$ 101,114</b>	<b>\$ (65,916,781)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>\$ 93,326,986</b>	<b>\$ (6,005,265)</b>	<b>\$ -</b>	<b>\$ 9,107,103</b>	<b>\$ 96,428,824</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 164,847,342</b>	<b>\$ 12,249,183</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,096,525</b>

<b>Business-Type Activities</b>	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital Assets, Being Depreciated:					
Buildings & Improvements	\$ 368,744	\$ -	\$ (11,028)	\$ -	\$ 357,716
Equipment	1,188,004	78,451	(11,433)	101,114	1,356,136
<b>Total Capital Asset, Being Depreciated</b>	<b>1,556,748</b>	<b>78,451</b>	<b>(22,461)</b>	<b>101,114</b>	<b>1,713,852</b>
Less Accumulated Depreciation For:					
Buildings & Improvements	(172,680)	(17,903)	11,028	-	(179,555)
Equipment	(736,676)	(83,999)	11,433	(101,114)	(910,356)
<b>Total Accumulated Depreciation</b>	<b>\$ (909,356)</b>	<b>\$ (101,902)</b>	<b>\$ 22,461</b>	<b>\$ (101,114)</b>	<b>\$ (1,089,911)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>\$ 647,392</b>	<b>\$ (23,451)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 623,941</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 647,392</b>	<b>\$ (23,451)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 623,941</b>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 541,391
Public Safety	359,566
Public Works	6,505,015
<b>Total Depreciation Governmental Functions</b>	<b>\$ 7,405,971</b>

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

Depreciation expense was charged to the business-type functions as follows:

Parking	\$	9,970
Transit		74,049
Solid Waste		133
Building & Safety		17,750
		<u>17,750</u>
Tota Depreciation Business Functions	<u>\$</u>	<u>101,902</u>

**Construction in Progress**

Construction in progress for governmental activities relates primarily to work performed on the following projects: 2018 paving and drainage; utility undergrounding and streetscaping on the western segment of Donner Pass Road; construction on a new garage at the Town's public service center garage; construction of a roundabout at Donner Pass Road and Church Street; and preliminary work on the Truckee River trail phase 4. The majority of the transfer from construction in progress for fiscal year 2019 is due to the completion of the Brickelltown streetscaping project.

**D. Long-Term Liabilities**

The following summary of all long-term liabilities activity for the year ended June 30, 2019:

	Balance July 1, 2018	Additions/ Adjustments	Retirements	Balance June 30, 2019	Amounts Due Within One Year
<b>Governmental Activities</b>					
Lease Revenue Bonds	\$ 12,432,000	\$ -	\$ (379,000)	\$ 12,053,000	\$ 4,323,000
Less: Unamortized Discount	(45,373)	-	2,305	(43,068)	(2,305)
Add: Unamortized Premium	225,755	-	(10,541)	215,214	10,541
Lease Revenue Bonds, Net	<u>12,612,382</u>	-	<u>(387,236)</u>	<u>12,225,146</u>	<u>4,331,236</u>
Compensated Absences (Note 1N)	<u>1,301,221</u>	<u>1,320,801</u>	<u>(1,189,356)</u>	<u>1,432,666</u>	<u>198,059</u>
Total Governmental Activities - Long-term Liabilities	<u>\$ 13,913,603</u>	<u>\$ 1,320,801</u>	<u>\$ (1,576,592)</u>	<u>\$ 13,657,812</u>	<u>\$ 4,529,294</u>
<b>Business-Type Activities</b>					
Compensated Absences (Note 1N)	\$ 95,663	\$ 126,312	\$ (115,913)	\$ 106,062	\$ 15,762
Total Business-Type Activities - Long-term Liabilities	<u>\$ 95,663</u>	<u>\$ 126,312</u>	<u>\$ (115,913)</u>	<u>\$ 106,062</u>	<u>\$ 15,762</u>

The Town's outstanding notes from direct placements related to governmental activities of \$3.798 million are secured with collateral of the Town Hall building.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

As of June 30, 2019 lease revenue bonds consisted of the following:

	Governmental Activities
<p>Lease Revenue Bonds Series 2009, dated September 8, 2009, in the amount of \$1.645 million (Series 2009A) and \$3.355 million (Series 2009B) for a total issue of \$5.0 million, payable in annual installments of \$95,000 to \$290,000. Series 2009A interest rate of 2.00% to 4.65% and mature on December 1, 2039 and Series 2009B Build America Bonds (Taxable) interest rate of 7.70% to 7.90% prior to 35% United States Treasury subsidy (net rates of 5.01% to 5.145%), maturing December 1, 2039. Proceeds from Lease Revenue Refunding Bonds Series 2017 will be used to call the Series 2009 Bonds at the call date of December 1, 2019 at which point the debt will be extinguished and removed from the government-wide statement of net assets.</p>	\$ 4,055,000
<p>Lease Revenue Refunding Bonds Series 2015 of \$ 4,645,000, payable in annual installments of \$75,000 to \$365,000. Series 2015 interest rate of 2.823% mature November 1, 2030.</p>	3,798,000
<p>Lease Revenue Refunding Bonds Series 2017 of \$4,265,000, payable in annual installments of \$65,000 to \$265,000. Series 2017 true interest cost of 2.84% matures December 1, 2039.</p>	4,200,000
<p style="padding-left: 40px;">Total Lease Revenue Bonds</p>	\$ 12,053,000

On September 20, 2017, the Town issued lease revenue financing in the amount of \$4,265,000 with a final maturity on December 1, 2039 and a true interest cost of 2.84% for a crossover refunding of Lease Revenue Bonds Series 2009. The 2009 Bonds will be called on December 1, 2019.

The annual aggregate maturities, including the call of the Series 2009 Bonds on December 1, 2019, for years subsequent to June 30, 2019 are as follows:

Year Ended June 30	Governmental Activities				
	Principal	Gross Interest Revenue Bonds	Less US Treasury Subsidy	Net Interest Revenue Bonds	Total Principal & Net Interest
2020	\$ 4,323,000	\$ 397,033	\$ (46,043)	\$ 350,990	\$ 4,673,990
2021	430,000	239,331	-	239,331	669,331
2022	443,000	225,103	-	225,103	668,103
2023	460,000	210,360	-	210,360	670,360
2024	471,000	195,317	-	195,317	666,317
2025 - 2029	2,605,000	711,466	-	711,466	3,316,466
2030 - 2034	1,826,000	327,753	-	327,753	2,153,753
2035 - 2039	1,230,000	136,741	-	136,741	1,366,741
2040 - 2044	265,000	4,141	-	4,141	269,141
Total	\$ 12,053,000	\$ 2,447,245	\$ (46,043)	\$ 2,401,202	\$ 14,454,202

TOWN OF TRUCKEE, CALIFORNIA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 3: DETAILED NOTES (CONT'D)**

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, a refunding is done to refinance at a lower interest rate to reduce overall debt service. Certain issues of refunding bonds may be issued to refund other bonds at the future call date, known as crossover refunding.

For the crossover refunding, the Town entered into an escrow agreement whereby the proceeds from the lease revenue refunding bonds were converted into U.S. government securities. These securities were placed with an escrow agent to pay a portion of the interest on the refunded debt (old debt) until the crossover refunding date of December 1, 2019. On the crossover refunding date, the refunded lease revenue debt (old debt) will be paid using the amounts held by the escrow agent. The transactions and balances of the escrow account are recorded by the Town since the refunded debt is not considered extinguished.

The refunding was undertaken to reduce total debt service payments over the next 21 years by \$688,670, and resulted in an economic gain of \$519,920.

On September 20, 2017, the Truckee Public Financing Authority issued lease revenue refund financing for \$4,265,000. This financing, which matures in 2039, is secured by the Town of Truckee Public Service Center and carries a true interest cost of 2.842%. These bonds reduced the present value of future debt-service payments. The savings were available due to improved municipal bond market conditions (i.e. lower interest rates) during the year. The effect of the refunding is summarized as follows (in thousands):

Title and Series	Lease Revenue Refunding Bonds Series 2017
Closing Date	September 20, 2017
Net Interest Rate	2.842%
Refunding Bond Issued	\$4,265,000
Economic Gain on Refunding	\$519,920
Number of Years Affected	22

**E. Leases**

**Operating Leases**

The Town had two cancellable operating leases; one for the parking lot on West River Street and one for a space at the Truckee Donner Public Utilities District site for radio repeater equipment. Total costs of the parking lot lease for the year ended June 30, 2019 were \$65,379, which was paid in monthly installments. The radio repeater space-rental is paid annually and was \$880 for the year ended June 30, 2019.

The Town is the lessor in some operating leases, but the activity is not considered material to the activities of the Town as a whole.

**F. Interfund Transfers**

**Due To/Due From Other Funds**

Operating receivables and payables between funds are classified as due from or due to the General Fund. Amounts due from other funds include amounts due from other funds for loans to fund negative cash balances.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3: DETAILED NOTES (CONT'D)**

	Due From Other Funds	Due to Other Funds
General Fund	\$ 4,663	\$ -
Other Governmental Funds	-	4,663
<b>Total</b>	<b>\$ 4,663</b>	<b>\$ 4,663</b>

**Transfers**

Transfers are indicative of funding for or purchase of capital projects, lease payments or debt service, and reallocations of special revenues. The following are the interfund transfers for the year ended June 30, 2019:

	Transfers In							
	General Fund	Transfers In				Enterprise Funds		Total
		Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Parking Fund	Transit Fund		
<b>Transfers Out</b>								
General Fund	\$ -	\$ 5,949,662	\$ 733,655	\$ -	\$ -	\$ 24,813	\$ 6,708,130	
Measure R Trails Fund	-	114,007	-	-	-	-	114,007	
Traffic Impact Fees Fund	-	731,011	-	-	-	-	731,011	
Debt Service Fund	86,377	-	-	-	-	-	86,377	
Measure V Road Maintenance Fund	131,737	3,589,850	-	-	-	-	3,721,587	
Town Special Service Areas Fund	7,628	1,326,518	-	-	-	-	1,334,146	
Other Governmental Fund	1,959,909	1,718,729	196,853	343,404	8,368	-	4,227,263	
Parking Fund	-	141,205	-	-	-	-	141,205	
Building & Safety Fund	-	20,628	-	-	-	-	20,628	
<b>Total</b>	<b>\$ 2,185,651</b>	<b>\$13,591,610</b>	<b>\$ 930,508</b>	<b>\$ 343,404</b>	<b>\$ 8,368</b>	<b>\$ 24,813</b>	<b>\$17,084,354</b>	

**G. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents consumption of fund balance for future periods. Deferred inflows of resources represent acquisition of fund balance in future periods.

The Town's deferred outflows and inflows in the government-wide and proprietary fund statements are related to retirement benefits provided to employees. More information about those benefits and the related obligations can be found in Note 4. Deferred inflow balances in the governmental fund financial statements are related to loans, grants and other miscellaneous revenues that were not received within the 60-day accrual window. These amounts are adjusted into revenues for the government-wide financial statements consistent with the full-accrual basis of accounting.

Balances of deferred outflows and inflows of resource listed on the face of the financial statements represents aggregated amounts from various sources.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 3: DETAILED NOTES (CONT'D)**

**Government-wide Statements**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	\$ 4,359,476	\$ 208,590	\$ 4,568,066
Deferred outflows - OPEB	120,554	14,184	134,738
Total Deferred Outflows of Resources:	<u>\$ 4,480,030</u>	<u>\$ 222,774</u>	<u>\$ 4,702,804</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows - pension	\$ 426,120	\$ 97,190	\$ 523,310
Total Deferred Inflows of Resources:	<u>\$ 426,120</u>	<u>\$ 97,190</u>	<u>\$ 523,310</u>

**Fund Financial Statements**

	Governmental Funds				Total
	General Fund	Capital Projects Fund	HOME Grant Fund	Other Governmental Funds	
<b>Deferred Inflows of Resources</b>					
Deferred inflows - loans	\$ 1,951,620	\$ -	\$ 12,701,939	\$ 2,682,112	\$ 17,335,671
Deferred inflows - grants	-	291,080	-	-	291,080
Deferred inflows - miscellaneous	79,124	190,300	-	25,000	294,424
Total Deferred Inflows of Resources	<u>\$ 2,030,744</u>	<u>\$ 481,380</u>	<u>\$ 12,701,939</u>	<u>\$ 2,707,112</u>	<u>\$ 17,921,175</u>
	Proprietary Funds				Total
	Parking Fund	Transit Fund	Solid Waste Fund	Building and Safety Fund	
<b>Deferred Outflows of Resources</b>					
Deferred outflows - pension	\$ 39,480	\$ 36,821	\$ 19,895	\$ 112,394	\$ 208,590
Deferred outflows - OPEB	1,869	490	1,247	10,578	14,184
Total Deferred Outflows of Resources	<u>\$ 41,349</u>	<u>\$ 37,311</u>	<u>\$ 21,142</u>	<u>\$ 122,972</u>	<u>\$ 222,774</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows - pension	\$ 13,864	\$ 12,534	\$ 13,562	\$ 57,230	\$ 97,190
Total Deferred Inflows of Resources	<u>\$ 13,864</u>	<u>\$ 12,534</u>	<u>\$ 13,562</u>	<u>\$ 57,230</u>	<u>\$ 97,190</u>

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN**

A. Pension Plan

**General Information about the Pension Plan**

Plan Description – All qualified regular and probationary employees are eligible to participate in the Town's Safety (sworn police) and Miscellaneous (all other employees) Employee Pension Plan (the Plan), cost sharing, multiple employer defined benefit pension plan administered by the California Public Employee's Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or a beneficiary. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five or more years of total service are eligible to retire at age 50 with or without statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is Optional Settlement 2W Death Benefit. The cost of living adjustments are applied as specified by the California Public Employee's Retirement Law (PERL). The 2.7% at 55 Miscellaneous Plan and the 3.0% at 50 Safety Plan are closed to new entrants.

The Plans provisions and benefits in effect at June 30, 2019 are summarized below:

Hire Date	Miscellaneous		
	Prior to July 1, 2011 "Tier 1"	July 1, 2011 to December 31, 2012 "Tier 2"	After December 31, 2012 "Tier 3"
Benefit Formula	2.7% @ 55	2.5% @ 55	2.0% @ 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	50-55	52 and up
Monthly Benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	8%	8%	6.5%
Required Employer Contribution Rates	13.08%	10.83%	7.26%

Hire Date	Safety		
	Prior to July 1, 2011 "Tier 1"	July 1, 2011 to December 31, 2012 "Tier 2"	After December 31, 2012 "Tier 3"
Benefit Formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
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 and up	50 and up	50 and up
Monthly Benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required Employee Contribution Rates	9%	9%	12.75%
Required Employer Contribution Rates	22.35%	19.35%	12.97%

**Funding Policy**

The Plan requires employee contributions equal to some percentage of the employee's annual covered salary. The Town has a variety of agreements regarding these employee contributions to the CalPERS retirement program. These agreements must be ratified by the Town Council. Section 20814 (c) of the PERL requires that the employer contribution rates for all public employers to 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. Fund 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 Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

For the year ended June 30, 2019, the contributions to the plan were \$1,911,834.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2019 the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

Proportionate Share of the Net Pension Liability	
Fiscal Year Ending	
June 30, 2019	June 30, 2018
\$12,548,765	\$12,720,474

The Town'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, 2018, 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, 2017 rolled forward to June 30, 2018 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contribution to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2017 and June 30, 2018 was as follows:

Measurement Date	Percentage Share of Risk Pool		
	June 30, 2019	June 30, 2018	Change
	June 30, 2018	June 30, 2017	
Percentage of Plan Net Pension Liability	0.130220%	0.128270%	0.001950%

For the year ended June 30, 2019, the Town recognized a pension expense of \$2,958,998. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 400,727	\$ (96,436)
Changes in assumptions	1,376,353	(300,409)
Net differences between projected and actual earnings on plan investments	68,276	-
Changes in employer's proportion	713,607	(24,179)
Differences between the employer's contributions and the employer's proportionate share of contributions	97,269	(102,286)
Pension contributions subsequent to measurement date	1,911,834	-
Total	\$ 4,568,066	\$ (523,310)

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

The \$1,911,834 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 June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2020	\$ 1,549,151
2021	984,779
2022	(295,199)
2023	(105,809)
2024	-
Thereafter	-

**Actuarial Assumptions**

The total pension liabilities in the June 30<sup>th</sup>, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<b>Assumptions</b>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age & Service
Investment Rate of Return	7.15% net of pension plan investment and administrative expenses; includes inflation
Mortality	Derived using CalPERS membership data for all funds
Cost of Living Adjustment (COLA)	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS specific data. The Table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website

**Changes in Assumptions**

At its December 2016 meeting, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for fiscal year 2020 determined in the valuation were calculated using a discount rate of 7.25 percent. The projected employer contributions are calculated under the assumption that the discount rate will be lowered to 7.00 percent next year as adopted by the Board.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

On December 19, 2017, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. These assumptions were incorporated in the actuarial valuations and affected the required contributions for fiscal year 2020. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation, an inflation rate of 2.50 percent was used.

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on unfunded actuarial liability (UAL) bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all unfunded accrued liabilities effective June 30, 2017. Furthermore, the plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan. The impact of this has been reflected in the current valuation results.

The CalPERS Board of Administration adopted a Risk Mitigation Policy that is designed to reduce funding risk over time. This Policy has been suspended during the period over which the discount rate is being lowered. More details on the Risk Mitigation Policy can be found on the CalPERS website.

**Allocation amongst Town Funds**

The net pension liability has been allocated to the Town's enterprise funds based on their relative annual required pension contributions.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested the 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 ran out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent will be applied to all plans in the Public Employee's Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

In determining the long-term expected real rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employee's Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using the building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown below was adopted by the CalPERS Board effective July 1, 2018.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+ (b)
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

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

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

The following presents the Town's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using the discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate	Current	
		Discount Rate	Discount Rate
<u>Net Pension Liability (Asset)</u>	<u>-1% (6.15%)</u>	<u>(7.15%)</u>	<u>+1% (8.15%)</u>
Measurement Date		<u>June 30, 2018</u>	
Fiscal Year End		<u>June 30, 2019</u>	
Net Pension Liability	<u>\$ 20,270,603</u>	<u>\$ 12,548,765</u>	<u>\$ 6,188,222</u>

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE’S RETIREMENT PLAN (CONT’D)**

B. Deferred Compensation 457 Plan

The Town maintains deferred compensation plans for its employees. These plans were created in accordance with the Internal Revenue Service’s Code Section 457. They are available to all regular Town employees and permit them to defer a portion of their salary until future years. The deferred compensation is not available to the employees for withdrawal until termination, retirement, death or unforeseen emergency. The Town has no liability for losses for these plans but does have the duty of due care that would be required of an ordinary and prudent investor. The Town has not reflected these plan’s assets or corresponding liabilities (if any) on the accompanying financial statements.

C. Other Post Retirement Benefits (OPEB)

**Plan Description**

The Town has established a Retiree Healthcare Plan (HC Plan), and participates in an agent multiple-employer defined-benefit retiree healthcare plan. The HC Plan provides employees who retire directly from the Town, at a minimum age of 50, with a minimum of five years of service, the Public Employees’ Medical and Hospital Care Act (PEMHCA) minimum benefit under the “unequal method”. Monthly PEMHCA minimum contribution for active employees in 2019 is \$136 and projected to be \$139 in 2020. The Town’s payment toward retiree premiums is the minimum monthly amount permitted under PEHMCA, which is not less than 5% of the active contribution times the number of years the Town has been in PEHMCA. The Town joined PEMHCA in 2012. The Town’s contribution for retirees is \$47.60 in 2019 and projected to be \$55.60 in 2020. Surviving spouses of retirees who elect the survivorship benefit are also eligible for this benefit. A separate financial report is not prepared for the HC Plan.

**Employees Covered**

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

	Number of Covered Employees at June 30, 2018
Inactives receiving benefits	11
Inactives entitled to benefit payment	38
Active Employees	109
	<u>158</u>

**Contributions**

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the Town and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the Town’s cash contributions were \$102,070 in payments to the trust and \$6,468 in cash payments for retiree health insurance and the estimated implied subsidy was \$16,980 resulting in total payments of \$125,518. In fiscal year 2012, the Town created a trust with California Employers’ Retiree Benefit Trust (CERBT) for the purpose of prefunding obligations for past services.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

***Net OPEB Liability***

The Town's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

<b>Actuarial Assumptions</b>	<b>June 30, 2018 Measurement Date</b>
Discount Rate	- 5.5% at June 30, 2018 - 5.5% at June 30, 2017
Long-term Expected Rate of Return on Investments	- 5.5% at June 30, 2018, net of investment expenses - 5.5% at June 30, 2017, net of investment expenses
General Inflation	2.75% per annum
Contribution Policy	Employer contributes full ADC
Mortality, Disability, Termination, Retirement	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Trend	- Pre-Medicare: 7.5% for 2019, decreasing to 4.0% for 2076 and later - Medicare: 6.5% for 2019, decreasing to 4.0% for 2076 and later - PEMHCA minimum: 4.25% after 2019
Healthcare Participation for Future Retirees	Based on FY at retirement: - 2018-2020: 20% - 2021-2025: 30% - 2026-2030: 40% - 2031+: 50%
Spousal Coverage	- Future Retirees: 60% at retirement - Retirees: Same as current election

Notes:

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Equities	24%	4.82%
Fixed income	39%	1.47%
TIPS	26%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return		5.50%
Discount Rate		5.50%

\* CERBT Strategy 3. Provided by CalPERS Strategic Asset Allocation Analysis Review in August 2014

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the OPEB Liability**

The changes in the net OPEB liability for the HC Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2018 <i>(Measurement Date at June 30, 2017)</i>	\$ 1,123,321	\$ 575,706	\$ 547,615
<b>Changes recognized for the measurement period:</b>			
Service Cost	91,979	-	91,979
Interest	66,265	-	66,265
Changes of benefit terms	-	-	-
Diference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	144,250	(144,250)
Contributions - employee	-	-	-
Net investment income	-	28,706	(28,706)
Benefit payments including refunds	(20,967)	(20,967)	-
Administrative expense	-	(1,535)	1,535
Net Changes	137,277	150,454	(13,177)
Balance at June 30, 2019 <i>(Measurement Date June 30, 2018)</i>	\$ 1,260,598	\$ 726,160	\$ 534,438

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Town if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	Discount Rate		
	Discount Rate -1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1% (5.50%)
Net OPEB Liability	\$ 778,608	\$ 534,438	\$ 341,578

TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4: EMPLOYEE'S RETIREMENT PLAN (CONT'D)**

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the Town if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 308,798	\$ 534,438	\$ 829,663

***OPEB Plan Fiduciary Net Position***

CERBT issues a publicly available financial report that may be obtained from CalPERS at PO Box 942709, Sacramento, CA 94229-2709.

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 years at June 30, 2017)

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2019, the Town recognized OPEB expense of \$127,347. As of fiscal year ended June 30, 2019, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	9,220	-
Employer contributions made subsequent to the measurement date	125,518	-
Total	\$ 134,738	\$ -

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4: EMPLOYEE’S RETIREMENT PLAN (CONT’D)**

The \$125,518 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2020	\$ 2,648
2021	2,648
2022	2,650
2023	1,274
2024	-
Thereafter	-

**NOTE 5: RISK MANAGEMENT**

The Town 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. The Town joined with other municipalities to participate in the Public Agency Risk Sharing Authority of California (PARSAC) for general liability, vehicle liability, errors and omissions, workers’ compensation, and employers’ liability purposes. PARSAC is a public entity risk pool that serves as a common risk management and insurance program. PARSAC is under the control and direction of a nine member executive committee consisting of representatives from 35 member entities. The Town pays an annual premium to PARSAC for its insurance coverage. The agreements with PARSAC provide that the risk pool will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

The Town is liable for self-insured retention (SIR) or deductible in the amount of \$25,000 for a liability claim and \$10,000 for a worker’s compensation claim. Three times each SIR has been restricted, as part of the General Fund balance should a claim occur.

Complete audited financial statements for PARSAC can be obtained via mail at 1525 Response Road, Suite One, Sacramento, CA 95815-4805.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10. Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 6: OTHER INFORMATION**

A. Construction Commitments

The Town has signed agreements for \$31,827,078 in various construction projects that were not complete as of June 30, 2019. Construction completed and paid subsequent to June 30, 2019 on these projects was \$5,255,196.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 6: OTHER INFORMATION (CONT'D)**

**B. Contingent Liabilities**

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

**NOTE 7: PRIOR PERIOD ADJUSTMENTS**

Total beginning government wide net position is being restated as follows:

<u>Government-Wide</u>	<u>Description of Restatement</u>	<u>Amount</u>
<u>Governmental Funds</u>		
Measure R Trails Fund	Transfer expense out of the Measure R Trails Fund for the year ending June 30, 2018	\$ (123,279)
Measure V Road Maintenance Fund	Transfer expense into the Measure V Road Maintenance Fund for the year ending June 30, 2018	123,279
	Total Major Fund Balance Restatement	<u>-</u>
	Total Governmental Fund Balance Restatement	<u>\$ -</u>
<u>Business Type Activities</u>		
	Increase expenses for the Solid Waste Fund for the year ending June 30, 2018	\$ 241,378
	Total Business Type Activities	<u>\$ 241,378</u>
	Total Government Wide Restatement	<u>\$ 241,378</u>

**NOTE 8: SUBSEQUENT EVENTS**

On August 22, 2019 the Town, via the Truckee Public Financing Authority, sold \$4.92 million of lease revenue financing bonds to fund the construction of an additional garage at the Town's Public Service Facility yard. The Series 2019 Bonds are tax-exempt and generated a total of \$5,205,951, including a premium of \$285,951, for use by the Town. The Series 2019 Bonds are payable over twenty-five years and were sold at a total average net interest rate of approximately 2.39%.

On April 23, 2019, the Town Council awarded a construction contract for \$12,878,653, without a contingency, for the construction of the additional garages. Work began on the garages during fiscal 2019 and is expected to be complete by fiscal 2021. The Town is financing the remainder of the construction via Facilities Impact Fees and General Fund reserves. The contract balance is included in the Construction Commitments balance in Note 6.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9: FIDUCIARY FUND**

The Town of Truckee Redevelopment Agency (“the Agency”) was organized under the State of California Community Redevelopment Law. The governing body was substantially the same as the primary government and the Town and its component units were financial interdependent, hence the unit had been presented by blending with the primary government. The Agency was dissolved as of January 31, 2012 and therefore is no longer reported as a component unit. The Town no longer issues separate financial statements for the Agency or its successor. The Redevelopment Successor Agency is reported as a fiduciary fund in the financial statements.

**A. Cash and Investments**

Total cash and investments as of June 30, 2019 are presented on the Agency’s financial statements as follows:

Investments	\$ 1,928,643
Total Cash and Investments	\$ 1,928,643

Total cash and investments as of June 30, 2019 of the agency at fair value are comprised of the following:

Cash and Deposits:	
Deposits with fiscal agents	\$ 1,245,567
Total Cash and Deposits	\$ 1,245,567
Investments:	
In Town's pool	683,076
Total Cash and Investments	\$ 1,928,643

**Deposits**

The California Government Code requires California banks and savings and loan associations to collateralize an Agency’s deposits by pledging government securities. The market value of pledged securities must equal at least 110% of an Agency’s deposits. California law also allows financial institutions to collateralize Agency deposits by pledging first trust deed mortgage notes having a value of 150% of an Agency’s total deposits. The Agency may waive collateral requirements for deposits, which are fully insured up to the \$250,000 by Federal Deposit insurance.

**Investments**

The Agency bond proceeds investment policy authorized investments include:

Investment Category	Standard
Treasury Issues	No limitations
Government sponsored Agency Issues	No limitations
Banker's Acceptances	A-1 and P-1 rated or better
Commercial Paper	A-1 and P-1 rated or better
Money Market Mutual Funds	Aaa or AAA rated
Investment Agreements	Not currently used
Repurchase Agreements	Not currently used
LAIF	No limitations

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9: FIDUCIARY FUND (CONT'D)**

As of June 30, 2019, the agency had the following investments:

	Maturities			Fair Value	Weighted Average Maturity (Years)
	0 - 1 year	1 - 5 years	Over 5 years		
<b>Investments in Investment Pool</b>					
Local Agency Investment Fund (LAIF)	683,076	-	-	683,076	-
Total Investments in Investment Pool	<u>\$ 683,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,076</u>	<u>\$ -</u>

**Interest Rate Risk**

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer there is until the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All investments of the Agency are invested in accordance with the investment policies of the Agency. Of the Agency's \$683,076 investment portfolio, 100% of the investments have a maturity of one year or less. The agency had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2019.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and Agency investment pool policy limits investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. The Agency does not have credit limits on U.S. Government securities or U.S. Government agency securities.

Investments at June 30, 2019	Standard & Poor's	% of Portfolio
LAIF	Unrated	100.0%
Total		<u>100.0%</u>

**Custodial Credit Risk**

Custodial credit risk is the risk of loss associated with holding investments that are not covered by depository insurance. At year-end, the Agency did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

**Concentration of Credit Risk**

None of the portfolio was invested in U.S. Government or Agencies issues, corporate notes, or money market funds as of June 30, 2019.

**Investment in Local Agency Investment Fund**

The Agency is a voluntary participant in California's Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded at amortized cost basis.

At June 30, 2019, the Agency's investment position in LAIF was \$683,076. The total amount invested by all public agencies in LAIF on that day was \$106,046,486,872. Of that amount, 98.23% is invested in non-derivative financial products and 1.77% in structured notes and asset backed securities.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9: FIDUCIARY FUND (CONT'D)**

**B. Notes Receivable**

Notes receivable include notes for economic development, improvements to the former Redevelopment Project area, historical preservation, and down-payment assistance.

Notes receivable are recorded at their net realizable value.

**C. Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2019 was as follows:

<b>Fiduciary Activities</b>	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital Assets, Being Depreciated:					
Buildings and Improvements	\$ 67,440	\$ -	\$ -	\$ -	\$ 67,440
Equipment	150,376	-	-	-	150,376
Total Capital Assets, Being Depreciated	<u>217,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,816</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	(67,440)	-	-	-	(67,440)
Equipment	(150,376)	-	-	-	(150,376)
Total Accumulated Depreciation	<u>\$ (217,816)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (217,816)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Depreciation**

There were no depreciation charges for the year ended June 30, 2019 as all assets of the Redevelopment Successor Agency have been fully depreciated.

**D. Long-term Liabilities**

The following is a summary of all long-term liabilities activity for the fiscal year ended June 30, 2019:

	Balance July 1, 2018	Additions/ Adjustments	Retirements	Balance June 30, 2019	Amounts Due Within One Year
Tax Increment Revenue Bonds	\$ 12,360,000	\$ -	\$ (135,000)	\$ 12,225,000	\$ 160,000
Less: Unamortized Discount	(40,317)	-	1,861	(38,456)	(1,861)
Tax Increment Revenue Bonds, Net	12,319,683	-	(133,139)	12,186,544	158,139
Compensated Absences (Note 1N)	16,114	13,221	(9,182)	20,153	1,758
Total Fiduciary Activities - Long-term Liabilities	<u>\$ 12,335,797</u>	<u>\$ 13,221</u>	<u>\$ (142,321)</u>	<u>\$ 12,206,697</u>	<u>\$ 159,897</u>

Long-term liabilities due within one year are net of amortized discount.

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9: FIDUCIARY FUND (CONT'D)**

As of June 30, 2019, tax increment bonds consisted of the following:

	Fiduciary Activities
Tax Increment Bonds	
Tax increment Bonds Series 2010, dated February 9, 2010, in the amount of \$9,385,000 (Series 2010A) and \$3,355,000 (Series 2010B) for a total issue of \$12,740,000, payable in annual installments of \$40,000 to \$1,085,000. Series 2010A interest rate of 3.000% to 5.375% and maturity on September 1, 2037 and Series 2010B Recovery Zone Economic Development Bonds (Taxable) with an interest rate of 8.193% prior to the 45% United States Treasury subsidy (net interest rate of 4.51%).	\$ 12,225,000
Total Bonds	\$ 12,225,000

The annual aggregate maturities for years subsequent to June 30, 2019 are as follows:

Tax Increment Bonds	Community Development Activities				
Year Ended June 30	Principal	Total Gross Interest	Less US Treasury Subsidy	Net Interest	Total Principal & Net Interest
2020	\$ 160,000	\$ 723,650	\$ (123,694)	\$ 599,956	\$ 759,956
2021	185,000	716,750	(123,694)	593,056	778,056
2022	210,000	708,719	(123,694)	585,025	795,025
2023	240,000	699,288	(123,694)	575,594	815,594
2024	270,000	688,281	(123,694)	564,587	834,587
2025-2029	1,870,000	3,204,126	(618,469)	2,585,657	4,455,657
2030-2034	2,950,000	2,593,804	(618,469)	1,975,335	4,925,335
2035-2039	4,230,000	1,614,468	(585,195)	1,029,273	5,259,273
2040-2044	2,110,000	175,330	(78,899)	96,431	2,206,431
	\$ 12,225,000	\$ 11,124,416	\$ (2,519,502)	\$ 8,604,914	\$ 20,829,914

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**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULES**

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TOWN OF TRUCKEE, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Taxes and assessments	\$ 19,906,315	\$ 19,906,315	\$ 22,157,774	\$ 2,251,459
Licenses and permits	200,000	200,000	233,771	33,771
Fines and forfeitures	158,000	158,000	157,670	(330)
Use of money and property	315,000	315,000	1,192,991	877,991
Intergovernmental revenues	1,800,000	1,800,000	2,026,791	226,791
Charges for services	1,196,296	1,196,296	1,366,433	170,137
Other revenues	501,409	501,409	393,355	(108,054)
Total Revenues:	<u>24,077,020</u>	<u>24,077,020</u>	<u>27,528,785</u>	<u>3,451,765</u>
<b>Expenditures</b>				
Current:				
General Government	5,026,755	4,989,294	4,766,294	223,000
Public Safety	6,721,659	6,721,659	6,266,858	454,801
Public Works	6,863,377	7,075,177	6,777,937	297,240
Community Development	1,116,386	1,116,386	1,062,278	54,108
Facilities	1,459,960	1,459,960	1,409,768	50,192
Capital Outlay	189,200	189,200	36,860	152,340
Total Expenditures:	<u>21,377,337</u>	<u>21,551,676</u>	<u>20,319,995</u>	<u>1,231,681</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>2,699,683</u>	<u>2,525,344</u>	<u>7,208,790</u>	<u>2,220,084</u>
Other financing sources (uses):				
Transfers in	2,127,587	2,127,587	2,185,651	58,064
Transfers out	(10,962,640)	(11,292,101)	(6,708,130)	4,583,971
Total Other financing sources (uses):	<u>(8,835,053)</u>	<u>(9,164,514)</u>	<u>(4,522,479)</u>	<u>4,642,035</u>
Net Change in Fund Balances:	<u>(6,135,370)</u>	<u>(6,639,170)</u>	<u>2,686,311</u>	<u>6,862,119</u>
Fund Balances - Beginning	34,336,116	34,336,116	34,336,116	-
Fund Balances - Ending:	<u>\$ 28,200,746</u>	<u>\$ 27,696,946</u>	<u>\$ 37,022,427</u>	<u>\$ 6,862,119</u>

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MEASURE R TRAILS FUND - MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Taxes and assessments	\$ 1,185,000	\$ 1,185,000	\$ 1,333,892	\$ 148,892
Use of money and property	19,000	19,000	108,760	89,760
Total Revenues:	<u>1,204,000</u>	<u>1,204,000</u>	<u>1,442,652</u>	<u>238,652</u>
<b>Expenditures</b>				
Current:				
Public Works	-	-	15	(15)
Total Expenditures:	<u>-</u>	<u>-</u>	<u>15</u>	<u>(15)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>1,204,000</u>	<u>1,204,000</u>	<u>1,442,637</u>	<u>238,667</u>
Other financing sources (uses):				
Transfers out	(958,503)	(958,503)	(114,007)	844,496
Total Other financing sources (uses):	<u>(958,503)</u>	<u>(958,503)</u>	<u>(114,007)</u>	<u>844,496</u>
Net Change in Fund Balances:	<u>245,497</u>	<u>245,497</u>	<u>1,328,630</u>	<u>1,083,163</u>
Fund Balances - Beginning, as previously reported	3,097,201	3,097,201	3,097,201	-
Prior period adjustment (Note 7)	(123,279)	(123,279)	(123,279)	-
Fund Balances - Beginning	<u>2,973,922</u>	<u>2,973,922</u>	<u>2,973,922</u>	<u>-</u>
Fund Balances - Ending:	<u>\$ 3,219,419</u>	<u>\$ 3,219,419</u>	<u>\$ 4,302,552</u>	<u>\$ 1,083,163</u>

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC IMPACT FEES FUND - MAJOR SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Use of money and property	\$ 60,000	\$ 60,000	\$ 224,574	\$ 164,574
Charges for services	1,000,000	1,000,000	2,178,803	1,178,803
Total Revenues:	<u>1,060,000</u>	<u>1,060,000</u>	<u>2,403,377</u>	<u>1,343,377</u>
<b>Expenditures</b>				
Current:				
Public Works	5,755	5,755	6,204	(449)
Total Expenditures:	<u>5,755</u>	<u>5,755</u>	<u>6,204</u>	<u>(449)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>1,054,245</u>	<u>1,054,245</u>	<u>2,397,173</u>	<u>1,343,826</u>
Other financing sources (uses):				
Transfers out	(1,474,144)	(1,474,144)	(731,011)	743,133
Total Other financing sources (uses):	<u>(1,474,144)</u>	<u>(1,474,144)</u>	<u>(731,011)</u>	<u>743,133</u>
Net Change in Fund Balances:	(419,899)	(419,899)	1,666,162	2,086,959
Fund Balances - Beginning	6,058,737	6,058,737	6,058,737	-
Fund Balances - Ending:	<u>\$ 5,638,838</u>	<u>\$ 5,638,838</u>	<u>\$ 7,724,899</u>	<u>\$ 2,086,959</u>

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MEASURE V ROAD MAINTENANCE FUND - MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Taxes and assessments	\$ 2,455,000	\$ 2,455,000	\$ 2,693,911	\$ 238,911
Use of money and property	20,000	20,000	107,968	87,968
Total Revenues:	<u>2,475,000</u>	<u>2,475,000</u>	<u>2,801,879</u>	<u>326,879</u>
<b>Expenditures</b>				
Current:				
Public Works	8,000	8,000	4,755	3,245
Total Expenditures:	<u>8,000</u>	<u>8,000</u>	<u>4,755</u>	<u>3,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>2,467,000</u>	<u>2,467,000</u>	<u>2,797,124</u>	<u>323,634</u>
Other financing sources (uses):				
Transfers out	(3,455,000)	(3,455,000)	(3,721,587)	(266,587)
Total Other financing sources (uses):	<u>(3,455,000)</u>	<u>(3,455,000)</u>	<u>(3,721,587)</u>	<u>(266,587)</u>
Net Change in Fund Balances:	<u>(988,000)</u>	<u>(988,000)</u>	<u>(924,463)</u>	<u>57,047</u>
Fund Balances - Beginning, as previously reported	2,652,301	2,652,301	2,652,301	-
Prior period adjustment (Note 7)	123,279	123,279	123,279	-
Fund Balance - Beginning	<u>2,775,580</u>	<u>2,775,580</u>	<u>2,775,580</u>	<u>-</u>
Fund Balances - Ending:	<u>\$ 1,787,580</u>	<u>\$ 1,787,580</u>	<u>\$ 1,851,117</u>	<u>\$ 57,047</u>

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
TOWN SPECIAL SERVICE AREAS FUND - MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Taxes and assessments	\$ 774,000	\$ 774,000	\$ 775,684	\$ 1,684
Use of money and property	47,100	47,100	179,807	132,707
Total Revenues:	<u>821,100</u>	<u>821,100</u>	<u>955,491</u>	<u>134,391</u>
<b>Expenditures</b>				
Current:				
Public Works	8,150	8,150	6,132	2,018
Total Expenditures:	<u>8,150</u>	<u>8,150</u>	<u>6,132</u>	<u>2,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>812,950</u>	<u>812,950</u>	<u>949,359</u>	<u>132,373</u>
Other financing sources (uses):				
Transfers out	(1,439,125)	(1,439,125)	(1,334,146)	104,979
Total Other financing sources (uses):	<u>(1,439,125)</u>	<u>(1,439,125)</u>	<u>(1,334,146)</u>	<u>104,979</u>
Net Change in Fund Balances:	(626,175)	(626,175)	(384,787)	237,352
Fund Balances - Beginning	5,890,845	5,890,845	5,890,845	-
Fund Balances - Ending:	<u>\$ 5,264,670</u>	<u>\$ 5,264,670</u>	<u>\$ 5,506,058</u>	<u>\$ 237,352</u>

The notes to the required supplementary information are an integral part of this statement.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
SCHEDULES OF COST SHARING DEFINED BENEFIT PENSION PLAN

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TOWN OF TRUCKEE, CALIFORNIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES FOR THE COST SHARING DEFINED BENEFIT PENSION PLAN  
 TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 AS OF JUNE 30, 2019  
 LAST TEN FISCAL YEARS\*

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date as of June 30,	2018	2017	2016	2015	2014
Portion of the net pension liability	0.130220%	0.128270%	0.124370%	0.120798%	0.172250%
Proportionate share of the net pension liability	\$ 12,548,765	\$ 12,720,474	\$ 10,761,789	\$ 8,291,496	\$ 6,672,012
Covered - employee payroll	\$ 9,935,645	\$ 8,988,575	\$ 8,529,783	\$ 8,098,016	\$ 7,249,592
Proportionate share of the net pension liability as percentage of covered-employee payroll	126.30%	141.52%	126.17%	102.39%	92.03%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

\*Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES FOR THE COST SHARING DEFINED BENEFIT PENSION PLAN  
 CONTRIBUTIONS  
 AS OF JUNE 30, 2019  
 LAST TEN FISCAL YEARS\*

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 1,911,834	\$ 1,597,901	\$ 1,599,871	\$ 1,437,532	\$ 1,503,497
Contributions in relation to the actuarially determined contributions	\$ 1,911,834	\$ 1,597,901	\$ 1,599,871	\$ 1,437,532	\$ 1,503,497
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 9,917,135	\$ 9,935,645	\$ 8,988,575	\$ 8,529,783	\$ 8,098,016
Contributions as a percentage of covered employee payroll	19.28%	16.08%	17.80%	16.85%	18.57%

\*Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

The notes to the required supplementary information are an integral part of this statement.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
SCHEDULES OF OTHER POST EMPLOYMENT BENEFITS

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TOWN OF TRUCKEE, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE MEASUREMENT PERIOD ENDING JUNE 30, 2018  
LAST TEN FISCAL YEARS\*

<i>Measurement Period</i>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 91,979	\$ 89,300
Interest on the total OPEB liability	66,265	59,335
Benefit payments	(20,967)	(29,650)
	<b>Net Change in total OPEB Liability</b> 137,277	118,985
	<b>Total OPEB Liability - beginning</b> 1,123,321	1,004,336
	<b>Total OPEB Liability - ending (a)</b> \$ 1,260,598	\$ 1,123,321
 <b>Plan Fiduciary Net Position</b>		
Contribution - employer	\$ 144,250	\$ 148,746
Net investment income	28,706	20,407
Benefit payments	(20,967)	(29,650)
Administrative expense	(1,535)	(248)
	<b>Net change in plan fiduciary net position</b> 150,454	139,255
	<b>Plan fiduciary net position - beginning</b> 575,706	436,451
	<b>Plan fiduciary net position - ending (b)</b> \$ 726,160	\$ 575,706
	<b>Net OPEB liability - ending (a) - (b)</b> \$ 534,438	\$ 547,615
 Plan fiduciary net position as a percentage of total OPEB liability	57.60%	51.30%
 Covered-employee payroll	\$ 9,334,958	\$ 8,803,289
 Net OPEB liability as a percentage of covered-employee payroll	5.7%	6.2%

\* Fiscal year 2018 was the first year of implementation, therefore only two years are shown

The notes to the required supplementary information are an integral part of this statement.

TOWN OF TRUCKEE, CALIFORNIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPEB ACTUARIALLY DETERMINED CONTRIBUTIONS  
 AS OF JUNE 30, 2019  
 LAST TEN FISCAL YEARS\*

Fiscal Year Ended June 30	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 141,968	\$ 138,976
Contributions in relation to ADC	<u>125,518</u>	<u>144,250</u>
Contribution deficiency (excess)	<u>16,450</u>	<u>(5,274)</u>
 Covered-employee payroll	 10,367,646	 9,165,306
 Contributions as a percentage of covered-employee payroll	 1.2%	 1.6%

The notes to the required supplementary information are an integral part of this statement.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**A. BUDGETARY BASIS OF ACCOUNTING**

The approved Town procedures for establishing the budgetary data reflected in the financial statements are as follows:

1. Each year, the Administrative Services Department submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

Public hearings are to be conducted at Town Hall to obtain taxpayer comments.

Generally, by July 1, after adjustment as directed by the Town Council, the budget is to be legally enacted through council motion.

2. Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, Public Works etc.).
3. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.
4. All unused appropriations for budgeted amounts lapse at the end of the fiscal year.
5. Individual fund budgetary comparisons are not presented at the detail budget level due to their excessive length. A separate document presenting this information is available.

The Town does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**B. EXCESS EXPENDITURES OVER BUDGETARY APPROPRIATIONS**

The Traffic Impact Fee Fund's total expenditures exceeded budgeted expenditures by \$449. The Town's General Fund and all other major special revenue funds did not have any material excess expenditures over appropriations for fiscal year 2019.

**C. CHANGES IN ASSUMPTION – COST SHARING DEFINED BENEFIT PENSION PLAN**

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used the calculation of the discount rate, the amortization and smoothing periods adopted by the Board in fiscal 2014 were used. For the Plan, the crossover test was performed on a miscellaneous plan and a safety plan that were considered as being more at risk of failing the crossover test and result in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of those plan investments, the tests revealed that the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The crossover test results can be found on the CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

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**COMBINING FUND STATEMENTS AND SCHEDULES**

**NONMAJOR GOVERNMENTAL FUNDS**

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 4,852,243	\$ 5,808,801	\$ 10,661,044
Cash with fiscal agent	4,283,948	-	4,283,948
Accounts receivable	19,742	-	19,742
Interest receivable	52,660	-	52,660
Taxes receivable	1,990	-	1,990
Due from other governments	53,676	-	53,676
Loans receivable	2,668,192	-	2,668,192
Total Assets:	<u>\$ 11,932,451</u>	<u>\$ 5,808,801</u>	<u>\$ 17,741,252</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 67,556	\$ 465	\$ 68,021
Deposits payable	80,000	-	80,000
Due to other funds	4,663	-	4,663
Total Liabilities:	<u>152,219</u>	<u>465</u>	<u>152,684</u>
Deferred Inflows of Resources:			
Deferred inflows	2,707,112	-	2,707,112
Total Deferred Inflows of Resources:	<u>2,707,112</u>	<u>-</u>	<u>2,707,112</u>
Fund Balances:			
Restricted	9,004,256	-	9,004,256
Assigned	83,892	5,808,336	5,892,228
Assigned	(15,028)	-	(15,028)
Total Fund Balances:	<u>9,073,120</u>	<u>5,808,336</u>	<u>14,881,456</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 11,932,451</u>	<u>\$ 5,808,801</u>	<u>\$ 17,741,252</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes and assessments	\$ 2,298,747	\$ -	\$ 2,298,747
Use of money and property	204,738	-	204,738
Intergovernmental revenues	118,811	1,060,919	1,179,730
Charges for services	582,747	-	582,747
Other revenues	371,627	-	371,627
Total Revenues:	<u>3,576,670</u>	<u>1,060,919</u>	<u>4,637,589</u>
<b>Expenditures</b>			
Current:			
Public Safety	71,257	1,367	72,624
Public Works	89,477	-	89,477
Community Development	48,273	-	48,273
Capital Outlay:	5,938	291,501	297,439
Total Expenditures:	<u>214,945</u>	<u>292,868</u>	<u>507,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>3,361,725</u>	<u>768,051</u>	<u>4,129,776</u>
Other financing sources (uses):			
Transfers in	343,404	-	343,404
Transfers out	(4,227,263)	-	(4,227,263)
Total Other financing sources (uses):	<u>(3,883,859)</u>	<u>-</u>	<u>(3,883,859)</u>
Net Change in Fund Balances:	(522,134)	768,051	245,917
Fund Balances - Beginning	9,595,254	5,040,285	14,635,539
Fund Balances - Ending:	<u>\$ 9,073,120</u>	<u>\$ 5,808,336</u>	<u>\$ 14,881,456</u>

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**COMBINING FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2019

	<b>Abandoned Vehicle Abatement Fund</b>	<b>Air Quality Mitigation Fund</b>	<b>Downtown In-Lieu Parking Fund</b>	<b>Town Housing Fund</b>
<b>Assets</b>				
Cash and investments	\$ 33,700	\$ 237,942	\$ 118,408	\$ 253,554
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	13,920	-
Interest receivable	115	890	429	889
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	-	550,402
<b>Total Assets:</b>	<b>\$ 33,815</b>	<b>\$ 238,832</b>	<b>\$ 132,757</b>	<b>\$ 804,845</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Inflows of Resources:				
Deferred inflows	-	-	13,920	550,402
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>13,920</b>	<b>550,402</b>
Fund Balances:				
Restricted	33,815	238,832	118,837	254,443
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances:</b>	<b>33,815</b>	<b>238,832</b>	<b>118,837</b>	<b>254,443</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>	<b>\$ 33,815</b>	<b>\$ 238,832</b>	<b>\$ 132,757</b>	<b>\$ 804,845</b>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2019

	Town Hall Bond Reserve Fund	PEG Fund	Infrastructure In- Lieu Fund	Brickelltown Maintenance Fund
<b>Assets</b>				
Cash and investments	\$ -	\$ 50,052	\$ 175,992	\$ 70,974
Cash with fiscal agent	4,283,948	-	-	-
Accounts receivable	-	5,822	-	-
Interest receivable	30,016	172	632	230
Taxes receivable	-	-	-	1,990
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
Total Assets:	<u>\$ 4,313,964</u>	<u>\$ 56,046</u>	<u>\$ 176,624</u>	<u>\$ 73,194</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,459
Deposits payable	-	-	80,000	-
Due to other funds	-	-	-	-
Total Liabilities:	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>1,459</u>
Deferred Inflows of Resources:				
Deferred inflows	-	-	-	-
Total Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	4,313,964	56,046	96,624	71,735
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances:	<u>4,313,964</u>	<u>56,046</u>	<u>96,624</u>	<u>71,735</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 4,313,964</u>	<u>\$ 56,046</u>	<u>\$ 176,624</u>	<u>\$ 73,194</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2019

	<b>Joerger Ranch Maintenance Fund</b>	<b>Railyard CFD</b>	<b>COPS Fund</b>	<b>Gas Tax Fund</b>
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 125,792	\$ 124,405
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	29	-	574	1,148
Taxes receivable	-	-	-	-
Due from other governments	-	-	25,000	28,676
Loans receivable	-	-	-	-
Total Assets:	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 151,366</u>	<u>\$ 154,229</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 8,751	\$ 6,149	\$ 4,917	\$ -
Deposits payable	-	-	-	-
Due to other funds	157	-	-	-
Total Liabilities:	<u>8,908</u>	<u>6,149</u>	<u>4,917</u>	<u>-</u>
Deferred Inflows of Resources:				
Deferred inflows	-	-	25,000	-
Total Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	121,449	154,229
Assigned	-	-	-	-
Unassigned	(8,879)	(6,149)	-	-
Total Fund Balances:	<u>(8,879)</u>	<u>(6,149)</u>	<u>121,449</u>	<u>154,229</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 151,366</u>	<u>\$ 154,229</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2019

	<b>BEGIN Housing Reimb Grant Fund</b>	<b>CDBG - Misc Income Fund</b>	<b>CDBG 01-STBG- 1614 Fund</b>	<b>CDBG 10-STBG- 6741 Fund</b>
<b>Assets</b>				
Cash and investments	\$ -	\$ 128,933	\$ -	\$ -
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	459	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	321,584	53,083	46,758	673,880
<b>Total Assets:</b>	<b>\$ 321,584</b>	<b>\$ 182,475</b>	<b>\$ 46,758</b>	<b>\$ 673,880</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 45,500	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities:</b>	<b>-</b>	<b>45,500</b>	<b>-</b>	<b>-</b>
Deferred Inflows of Resources:				
Deferred inflows	321,584	53,083	46,758	673,880
<b>Total Deferred Inflows of Resources:</b>	<b>321,584</b>	<b>53,083</b>	<b>46,758</b>	<b>673,880</b>
Fund Balances:				
Restricted	-	-	-	-
Assigned	-	83,892	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances:</b>	<b>-</b>	<b>83,892</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>	<b>\$ 321,584</b>	<b>\$ 182,475</b>	<b>\$ 46,758</b>	<b>\$ 673,880</b>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2019

	15-CDBG-10566 Fund	Housing Assistance Fund	Program Income Fund	CalHome Grant Fund
<b>Assets</b>				
Cash and investments	\$ -	\$ 2,196,965	\$ 587,451	\$ -
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	7,721	2,095	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	26,457	396,232	273,655	326,141
Total Assets:	<u>\$ 26,457</u>	<u>\$ 2,600,918</u>	<u>\$ 863,201</u>	<u>\$ 326,141</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 780	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities:	<u>-</u>	<u>-</u>	<u>780</u>	<u>-</u>
Deferred Inflows of Resources:				
Deferred inflows	26,457	396,232	273,655	326,141
Total Deferred Inflows of Resources:	<u>26,457</u>	<u>396,232</u>	<u>273,655</u>	<u>326,141</u>
Fund Balances:				
Restricted	-	2,204,686	588,766	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances:	<u>-</u>	<u>2,204,686</u>	<u>588,766</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 26,457</u>	<u>\$ 2,600,918</u>	<u>\$ 863,201</u>	<u>\$ 326,141</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2019

	Facilities Impact Fees Fund	Asset Forfeiture Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Cash and investments	\$ 596,655	\$ 151,420	\$ 4,852,243
Cash with fiscal agent	-	-	4,283,948
Accounts receivable	-	-	19,742
Interest receivable	6,716	545	52,660
Taxes receivable	-	-	1,990
Due from other governments	-	-	53,676
Loans receivable	-	-	2,668,192
Total Assets:	<u>\$ 603,371</u>	<u>\$ 151,965</u>	<u>\$ 11,932,451</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 67,556
Deposits payable	-	-	80,000
Due to other funds	4,506	-	4,663
Total Liabilities:	<u>4,506</u>	<u>-</u>	<u>152,219</u>
Deferred Inflows of Resources:			
Deferred inflows	-	-	2,707,112
Total Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>2,707,112</u>
Fund Balances:			
Restricted	598,865	151,965	9,004,256
Assigned	-	-	83,892
Unassigned	-	-	(15,028)
Total Fund Balances:	<u>598,865</u>	<u>151,965</u>	<u>9,073,120</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 603,371</u>	<u>\$ 151,965</u>	<u>\$ 11,932,451</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Abandoned Vehicle Abatement Fund	Air Quality Mitigation Fund	Downtown In-Lieu Parking Fund	Town Housing Fund
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	590	4,844	2,099	14,362
Intergovernmental revenues	-	-	-	-
Charges for services	4,376	300	26,853	-
Other revenues	-	-	-	20,601
Total Revenues:	<u>4,966</u>	<u>5,144</u>	<u>28,952</u>	<u>34,963</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>4,966</u>	<u>5,144</u>	<u>28,952</u>	<u>34,963</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(12,200)	-	-
Total Other financing sources (uses):	<u>-</u>	<u>(12,200)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	4,966	(7,056)	28,952	34,963
Fund Balances - Beginning	28,849	245,888	89,885	219,480
Fund Balances - Ending:	<u>\$ 33,815</u>	<u>\$ 238,832</u>	<u>\$ 118,837</u>	<u>\$ 254,443</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Town Hall Bond Reserve Fund</u>	<u>PEG Fund</u>	<u>Infrastructure In- Lieu Fund</u>	<u>Brickelltown Maintenance Fund</u>
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 74,664
Use of money and property	27,057	806	3,265	1,176
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	23,257	-	-
Total Revenues:	<u>27,057</u>	<u>24,063</u>	<u>3,265</u>	<u>75,840</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	57,787
Community Development	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>27,057</u>	<u>24,063</u>	<u>3,265</u>	<u>18,053</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(196,853)	(470)	-	(5,366)
Total Other financing sources (uses):	<u>(196,853)</u>	<u>(470)</u>	<u>-</u>	<u>(5,366)</u>
Net Change in Fund Balances:	(169,796)	23,593	3,265	12,687
Fund Balances - Beginning	4,483,760	32,453	93,359	59,048
Fund Balances - Ending:	<u>\$ 4,313,964</u>	<u>\$ 56,046</u>	<u>\$ 96,624</u>	<u>\$ 71,735</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Joerger Ranch Maintenance Fund</b>	<b>Railyard CFD</b>	<b>COPS Fund</b>	<b>Gas Tax Fund</b>
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 2,224,083
Use of money and property	239	-	2,356	4,254
Intergovernmental revenues	-	-	100,000	18,811
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues:	<u>239</u>	<u>-</u>	<u>102,356</u>	<u>2,247,148</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	-	53,920	-
Public Works	22,223	6,149	-	-
Community Development	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures:	<u>22,223</u>	<u>6,149</u>	<u>53,920</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(21,984)</u>	<u>(6,149)</u>	<u>48,436</u>	<u>2,247,148</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(35,858)	(2,187,743)
Total Other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(35,858)</u>	<u>(2,187,743)</u>
Net Change in Fund Balances:	<u>(21,984)</u>	<u>(6,149)</u>	<u>12,578</u>	<u>59,405</u>
Fund Balances - Beginning	13,105	-	108,871	94,824
Fund Balances - Ending:	<u>\$ (8,879)</u>	<u>\$ (6,149)</u>	<u>\$ 121,449</u>	<u>\$ 154,229</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>BEGIN Housing Reimb Grant Fund</b>	<b>CDBG - Misc Income Fund</b>	<b>CDBG 01-STBG- 1614 Fund</b>	<b>CDBG 10-STBG- 6741 Fund</b>
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	2,000	2,460	-	13,630
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	13,988
Total Revenues:	<u>2,000</u>	<u>2,460</u>	<u>-</u>	<u>27,618</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Community Development	-	45,500	-	-
Capital Outlay:	-	-	-	-
Total Expenditures:	<u>-</u>	<u>45,500</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>2,000</u>	<u>(43,040)</u>	<u>-</u>	<u>27,618</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(2,000)	-	-	(27,618)
Total Other financing sources (uses):	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>(27,618)</u>
Net Change in Fund Balances:	-	(43,040)	-	-
Fund Balances - Beginning	-	126,932	-	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ 83,892</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	15-CDBG-10566 Fund	Housing Assistance Fund	Program Income Fund	CalHome Grant Fund
<b>Revenues</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,595	66,421	11,389	9,015
Intergovernmental revenues	-	-	-	-
Charges for services	-	110,059	-	-
Other revenues	67,819	90,000	30,000	125,962
Total Revenues:	<u>69,414</u>	<u>266,480</u>	<u>41,389</u>	<u>134,977</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	2,773	-
Capital Outlay:				
Total Expenditures:	<u>-</u>	<u>-</u>	<u>2,773</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>69,414</u>	<u>266,480</u>	<u>38,616</u>	<u>134,977</u>
Other financing sources (uses):				
Transfers in	3,179	106,216	234,009	-
Transfers out	(69,414)	(156,216)	(3,179)	(134,977)
Total Other financing sources (uses):	<u>(66,235)</u>	<u>(50,000)</u>	<u>230,830</u>	<u>(134,977)</u>
Net Change in Fund Balances:	3,179	216,480	269,446	-
Fund Balances - Beginning	(3,179)	1,988,206	319,320	-
Fund Balances - Ending:	<u>\$ -</u>	<u>\$ 2,204,686</u>	<u>\$ 588,766</u>	<u>\$ -</u>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Facilities Impact Fees Fund	Asset Forfeiture Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Taxes and assessments	\$ -	\$ -	\$ 2,298,747
Use of money and property	34,202	2,978	204,738
Intergovernmental revenues	-	-	118,811
Charges for services	441,159	-	582,747
Other revenues	-	-	371,627
Total Revenues:	<u>475,361</u>	<u>2,978</u>	<u>3,576,670</u>
<b>Expenditures</b>			
Current:			
Public Safety	-	17,337	71,257
Public Works	3,318	-	89,477
Community Development	-	-	48,273
Capital Outlay:	-	5,938	5,938
Total Expenditures:	<u>3,318</u>	<u>23,275</u>	<u>214,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>472,043</u>	<u>(20,297)</u>	<u>3,361,725</u>
Other financing sources (uses):			
Transfers in	-	-	343,404
Transfers out	(1,395,369)	-	(4,227,263)
Total Other financing sources (uses):	<u>(1,395,369)</u>	<u>-</u>	<u>(3,883,859)</u>
Net Change in Fund Balances:	(923,326)	(20,297)	(522,134)
Fund Balances - Beginning	1,522,191	172,262	9,595,254
Fund Balances - Ending:	<u>\$ 598,865</u>	<u>\$ 151,965</u>	<u>\$ 9,073,120</u>

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**COMBINING FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2019

	<b>Fleet Replacement Fund</b>
<b>Assets</b>	
Cash and investments	\$ 5,808,801
Total Assets:	\$ 5,808,801
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	
Liabilities:	
Accounts payable	\$ 465
Total Liabilities:	465
 Fund Balances:	
Assigned	5,808,336
Total Fund Balances:	5,808,336
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	\$ 5,808,801

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<b>Fleet Replacement Fund</b>
<b>Revenues</b>	
Intergovernmental revenues	\$ 1,060,919
Total Revenues:	1,060,919
 <b>Expenditures</b>	
Current:	
Public Safety	1,367
Capital Outlay	291,501
Total Expenditures:	292,868
Excess (Deficiency) of Revenues Over (Under)	
Expenditures:	768,051
Net Change in Fund Balances:	768,051
Fund Balances - Beginning	5,040,285
Fund Balances - Ending:	\$ 5,808,336

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## STATISTICAL SECTION

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## STATISTICAL SECTION

This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	133-137
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. There is also information about the Town's second most significant revenue source, sales tax.</i>	138-142
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's potential ability to issue additional debt in the future.</i>	143-144
<b>Demographic and Economic Information</b> <i>These schedules help the reader understand the environment within which the Town's financial activities take place.</i>	145-146
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	147-148

TOWN OF TRUCKEE, CALIFORNIA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 165,043,525	\$ 152,234,960	\$ 149,571,493	\$ 132,941,891	\$ 124,887,323	\$ 113,972,707	\$ 108,913,968	\$ 104,258,473	\$ 95,853,857	\$ 86,524,004
Restricted	34,485,567	32,907,936	21,173,293	20,719,606	18,234,549	24,674,250	26,459,824	24,987,251	33,729,776	35,588,546
Unrestricted	44,933,824	43,204,578	48,245,938	47,572,441	42,988,683	40,396,929	35,975,147	34,203,716	26,924,756	29,969,806
Total governmental activities net position	\$ 244,462,916	\$ 228,347,474	\$ 218,990,724	\$ 201,233,938	\$ 186,110,555	\$ 179,043,886	\$ 171,348,939	\$ 163,449,440	\$ 156,508,389	\$ 152,082,356
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 623,941	\$ 647,393	\$ 738,848	\$ 700,729	\$ 538,002	\$ 421,475	\$ 442,605	\$ 456,987	\$ 451,182	\$ 560,105
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,607,213	4,039,278	2,801,136	2,120,283	1,399,173	1,155,667	509,441	179,993	(63,112)	(199,434)
Total business-type activities net position	\$ 5,231,154	\$ 4,686,671	\$ 3,539,984	\$ 2,821,012	\$ 1,937,175	\$ 1,577,142	\$ 952,046	\$ 636,980	\$ 388,070	\$ 360,671
<b>Primary Government</b>										
Net investment in capital assets	\$ 165,667,466	\$ 152,882,353	\$ 150,310,341	\$ 133,642,620	\$ 125,425,325	\$ 114,394,182	\$ 109,356,573	\$ 104,715,460	\$ 96,305,039	\$ 87,084,109
Restricted	34,485,567	32,907,936	21,173,293	20,719,606	18,234,549	24,674,250	26,459,824	24,987,251	33,729,776	35,588,546
Unrestricted	49,541,037	47,243,856	51,047,074	49,692,724	44,387,856	41,552,596	36,484,588	34,383,709	26,861,644	29,770,372
Total primary government activities net position	\$ 249,694,070	\$ 233,034,145	\$ 222,530,708	\$ 204,054,950	\$ 188,047,730	\$ 180,621,028	\$ 172,300,985	\$ 164,086,420	\$ 156,896,459	\$ 152,443,027

**TOWN OF TRUCKEE, CALIFORNIA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 6,237,715	\$ 5,417,395	\$ 4,975,164	\$ 4,979,126	\$ 6,239,048	\$ 4,400,574	\$ 3,465,117	\$ 4,736,002	\$ 3,870,421	\$ 3,925,743
Public Safety	7,399,669	7,396,552	5,665,387	5,987,258	5,853,651	6,109,465	5,915,265	6,133,671	6,112,495	6,141,141
Public Works	14,144,548	13,444,494	12,342,198	10,481,225	9,487,136	9,213,125	10,426,072	9,766,794	9,375,509	8,924,623
Community Development	1,117,180	976,230	848,210	1,352,297	648,742	705,190	730,220	1,009,095	1,367,460	1,354,568
Facilities	1,429,987	1,268,649	1,182,772	1,038,973	914,838	955,356	917,015	913,687	792,679	804,574
Debt Service	-	183,814	-	91,568	-	-	-	-	-	-
Interest	551,509	517,411	430,256	499,446	505,254	518,031	536,830	1,292,038	1,740,606	920,757
Total Governmental Activities	30,880,608	29,204,545	25,443,987	24,429,893	23,648,669	21,901,741	21,990,519	23,851,287	23,259,170	22,071,406
<b>Business-type Activities:</b>										
Parking	\$ 569,128	\$ 557,586	\$ 531,927	\$ 495,924	\$ 423,385	\$ 427,323	\$ 431,257	\$ 528,923	\$ 581,822	\$ 555,657
Solid Waste	4,105,531	1,154,597	3,233,031	3,329,507	3,129,633	3,069,154	2,923,046	2,580,614	2,306,129	2,210,503
Building	1,413,428	3,283,408	1,163,792	1,143,798	978,184	821,317	791,592	792,880	798,544	843,742
Transit	1,202,541	1,430,327	1,029,163	979,397	903,940	861,334	802,295	760,952	790,237	757,916
Total Business-type Activities	7,290,628	6,425,918	5,957,913	5,948,616	5,435,142	5,179,128	4,948,190	4,663,369	4,476,732	4,367,818
<b>Total Program Expenses</b>	<b>\$ 38,171,236</b>	<b>\$ 35,630,463</b>	<b>\$ 31,401,900</b>	<b>\$ 30,378,509</b>	<b>\$ 29,083,811</b>	<b>\$ 27,080,869</b>	<b>\$ 26,938,709</b>	<b>\$ 28,514,656</b>	<b>\$ 27,735,902</b>	<b>\$ 26,439,224</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 586,656	\$ 474,962	\$ 1,343,632	\$ 294,954	\$ 310,490	\$ 122,043	\$ 117,460	\$ 116,027	\$ 53,006	\$ 46,432
General Government	329,773	469,477	397,806	464,665	404,737	393,865	388,207	411,332	533,478	555,059
Public Safety	4,275,906	2,776,707	2,764,061	2,657,560	2,513,465	1,937,925	1,686,627	1,685,754	1,605,271	1,600,378
Community Development	213,894	263,166	266,342	221,552	209,679	157,979	197,055	189,700	205,946	192,718
Operating Grants and Contributions	2,507,012	3,273,215	2,235,459	2,689,496	1,817,302	2,170,472	2,164,797	2,480,998	2,083,828	2,098,235
Capital Grants and Contributions	3,098,820	2,077,820	3,061,374	9,139,433	5,622,054	5,102,128	4,888,274	3,717,918	2,647,348	1,700,779
Total Governmental Activities	11,012,061	9,335,347	10,068,674	15,467,660	10,877,727	9,884,412	9,442,420	8,601,729	7,128,877	6,193,601
<b>Business-type Activities:</b>										
Charges for Services	\$ 913,436	\$ 921,623	\$ 806,197	\$ 730,518	\$ 613,437	\$ 577,150	\$ 579,965	\$ 515,571	\$ 581,822	\$ 478,772
Parking	4,176,813	3,523,045	3,415,447	3,280,157	3,146,578	3,055,954	2,920,219	2,550,040	2,306,129	2,237,705
Solid Waste	1,875,457	1,877,151	1,535,230	1,539,441	1,580,072	1,407,320	1,049,658	922,415	798,544	822,731
Building	91,969	116,030	111,044	114,269	105,535	86,878	93,328	64,526	790,237	66,632
Operating Grants and Contributions	1,014,964	1,052,422	894,966	967,050	861,084	658,720	564,050	685,015	574,043	583,807
Capital Grants and Contributions	-	9,724	113,128	159,340	-	-	-	-	-	-
Total Business-type Activities	8,072,639	7,499,995	6,876,012	6,790,775	6,306,706	5,786,022	5,207,220	4,737,567	5,050,775	4,189,647
<b>Total Program Revenues</b>	<b>\$ 19,084,700</b>	<b>\$ 16,835,342</b>	<b>\$ 16,944,686</b>	<b>\$ 22,258,435</b>	<b>\$ 17,184,433</b>	<b>\$ 15,670,434</b>	<b>\$ 14,649,640</b>	<b>\$ 13,339,296</b>	<b>\$ 12,179,652</b>	<b>\$ 10,383,248</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (19,868,547)	\$ (19,869,198)	\$ (15,375,313)	\$ (8,962,233)	\$ (12,770,942)	\$ (12,017,329)	\$ (12,548,099)	\$ (15,249,558)	\$ (16,130,293)	\$ (15,877,805)
Business-type Activities	782,011	1,074,077	918,099	842,159	871,564	606,894	259,030	74,198	574,043	(178,171)
<b>Total Net (Expense)/Revenue</b>	<b>\$ (19,086,536)</b>	<b>\$ (18,795,121)</b>	<b>\$ (14,457,214)</b>	<b>\$ (8,120,074)</b>	<b>\$ (11,899,378)</b>	<b>\$ (11,410,435)</b>	<b>\$ (12,289,069)</b>	<b>\$ (15,175,360)</b>	<b>\$ (15,556,250)</b>	<b>\$ (16,055,976)</b>

**TOWN OF TRUCKEE, CALIFORNIA  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues										
Governmental Activities:										
Property Taxes	\$ 11,758,850	\$ 11,077,985	\$ 10,545,888	\$ 10,764,462	\$ 10,179,159	\$ 9,621,294	\$ 9,516,056	\$ 8,995,881	\$ 10,979,584	\$ 10,906,951
Sales Taxes	8,477,710	8,291,007	7,449,475	6,392,339	5,594,587	4,371,993	4,100,852	3,964,180	3,540,619	3,539,355
Transient Occupancy Taxes	4,264,925	3,399,229	3,414,610	2,820,319	2,119,343	1,843,063	1,718,415	1,350,699	1,436,129	1,431,928
Property transfer taxes	306,968	305,873	267,385	235,007	204,493	202,729	191,036	152,722	151,175	185,005
Franchise Taxes	1,228,650	1,192,065	1,136,580	1,044,799	995,665	1,009,716	956,487	1,024,698	917,736	950,477
Grants & contributions unrestricted	1,764,085	1,642,396	1,552,710	1,479,859	1,388,301	1,327,466	1,308,923	1,304,891	1,449,782	1,585,209
Interest and investment earnings	2,482,727	1,072,770	700,842	951,368	662,457	955,865	1,955,999	3,529,402	1,664,850	3,081,673
Contributed Capital	5,128,464	1,653,967	-	-	-	-	-	-	-	-
Miscellaneous	442,958	1,041,929	374,948	414,752	306,132	467,064	385,572	1,068,458	1,009,015	767,881
Transfers	128,652	(74,702)	161,918	(17,289)	89,668	64,634	18,690	(60,292)	(122,163)	(126,243)
Total General Revenues, Special Items, and Transfers	\$ 35,983,989	\$ 29,602,519	\$ 25,604,356	\$ 24,085,616	\$ 21,539,805	\$ 19,863,824	\$ 20,152,030	\$ 21,330,639	\$ 21,026,727	\$ 22,322,236
Business-Type Activities:										
Interest and investment earnings	\$ 120,420	\$ 33,550	\$ 17,416	\$ 16,925	\$ 10,104	\$ 4,540	\$ 2,195	\$ 2,554	\$ 1,775	\$ 1,513
Miscellaneous	12,083	8,519	8,551	7,464	5,296	78,296	72,529	111,864	85,584	83,002
Transfers	(128,653)	74,702	(161,918)	17,289	(89,668)	(64,634)	(18,690)	60,292	122,163	126,243
Total Business-Type Activities	3,850	116,771	(135,951)	41,678	(74,268)	18,202	56,034	174,710	209,522	210,758
Total Primary Government	\$ 35,987,839	\$ 29,719,290	\$ 25,468,405	\$ 24,127,294	\$ 21,465,537	\$ 19,882,026	\$ 20,208,064	\$ 21,505,349	\$ 21,236,249	\$ 22,532,994
Change in Net Assets										
Governmental Activities	\$ 16,115,442	\$ 9,733,321	\$ 10,229,043	\$ 15,123,383	\$ 8,768,863	\$ 7,846,495	\$ 7,603,931	\$ 6,081,081	\$ 4,896,434	\$ 6,444,431
Business-Type Activities	785,861	1,190,848	782,148	883,837	797,296	625,096	315,064	248,908	783,565	32,587
Total Change in Net Assets	\$ 16,901,303	\$ 10,924,169	\$ 11,011,191	\$ 16,007,220	\$ 9,566,159	\$ 8,471,591	\$ 7,918,995	\$ 6,329,989	\$ 5,679,999	\$ 6,477,018

TOWN OF TRUCKEE, CALIFORNIA  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Nonspendable	\$ 403,015	\$ 421,079	\$ 376,446	\$ 474,800	\$ 449,614	\$ 490,792	\$ 557,309	\$ -	\$ -	\$ 75,000
Restricted	105,000	105,000	105,000	105,000	105,000	105,000	90,000	90,000	75,000	2,284,461
Assigned	18,868,761	19,248,909	17,304,888	19,257,564	17,237,444	12,993,432	10,557,616	9,507,433	9,924,554	17,094,073
Unrestricted	17,645,651	14,561,128	12,600,668	12,142,620	9,263,960	7,375,185	7,833,282	7,994,587	8,069,846	4,899,273
Total General Fund	\$ 37,022,427	\$ 34,336,116	\$ 30,387,002	\$ 31,979,984	\$ 27,056,018	\$ 20,964,409	\$ 19,038,207	\$ 17,592,020	\$ 18,069,400	\$ 24,352,807
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Restricted	28,530,302	27,762,651	21,789,400	20,982,571	18,129,549	21,157,511	21,829,179	22,171,841	34,600,659	399,961
Assigned	5,892,228	5,167,217	6,400,578	5,855,935	5,786,516	3,516,739	4,630,645	3,850,917	3,433,056	-
Unrestricted	-	-	(721,109)	(231,519)	(661,796)	-	-	(488,517)	(13,791)	38,905,053
Total Other Governmental Funds	\$ 34,422,530	\$ 32,929,868	\$ 27,468,869	\$ 26,606,987	\$ 23,254,269	\$ 24,674,250	\$ 26,459,824	\$ 25,534,241	\$ 38,219,924	\$ 39,305,014

**TOWN OF TRUCKEE, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES</b>										
Taxes and assessments	\$ 29,260,008	\$ 27,217,171	\$ 25,516,747	\$ 23,475,607	\$ 21,314,945	\$ 18,914,610	\$ 17,934,559	\$ 17,518,969	\$ 19,051,188	\$ 18,556,785
Licenses and permits	233,771	274,295	277,997	244,501	215,433	30,809	33,574	35,012	39,235	36,492
Fines and forfeitures	157,670	291,166	227,804	322,734	292,404	300,138	250,523	320,537	368,684	404,013
Use of money and property	2,018,838	616,177	252,186	507,197	280,654	333,385	98,590	299,787	959,848	1,261,957
Intergovernmental revenues	3,748,676	5,882,725	4,261,168	12,502,059	8,269,258	4,414,902	4,876,609	4,044,445	4,311,946	4,224,355
Charges for services	4,127,983	2,587,361	3,382,184	2,289,399	2,145,820	2,471,215	2,272,655	2,192,781	2,047,398	2,318,697
Other revenues	1,822,693	1,518,414	633,532	1,696,714	827,860	1,518,884	2,761,190	2,043,789	2,346,391	803,946
Total General Fund	\$ 41,369,639	\$ 38,387,309	\$ 34,551,618	\$ 41,038,211	\$ 33,346,374	\$ 27,983,943	\$ 28,227,700	\$ 26,455,320	\$ 29,124,690	\$ 27,606,245
<b>EXPENDITURES</b>										
Current:										
General Government	\$ 5,554,615	\$ 4,838,178	\$ 4,559,548	\$ 4,536,009	\$ 5,783,250	\$ 4,293,153	\$ 3,345,627	\$ 4,183,907	\$ 5,159,479	\$ 3,663,720
Public Safety	6,339,482	6,272,427	5,827,669	5,849,015	5,655,670	5,783,348	5,723,158	5,960,295	5,834,119	5,880,938
Public Works	7,447,709	6,964,386	7,573,538	6,436,288	5,264,000	5,618,852	6,281,036	6,288,174	6,230,493	6,050,315
Community Development	1,110,551	963,511	1,249,339	1,427,706	875,600	704,549	725,782	1,551,881	1,760,943	2,121,435
Facilities	1,409,768	1,235,254	1,183,377	1,030,033	921,305	963,417	919,996	909,427	795,958	802,224
Debt Service:										
Debt Service	-	183,814	-	91,568	-	-	-	-	-	-
Principal	379,000	436,000	362,000	4,855,000	315,000	305,000	300,000	290,000	275,000	165,000
Interest	551,508	517,411	430,256	499,446	505,254	514,519	523,101	1,278,309	1,634,006	1,459,535
Capital Outlay	14,526,685	11,990,173	14,258,909	12,654,174	15,464,834	9,725,111	8,596,188	8,312,462	14,681,026	5,934,553
Total Expenditures	\$ 37,319,318	\$ 33,401,154	\$ 35,444,636	\$ 37,379,239	\$ 34,784,913	\$ 27,907,949	\$ 26,414,888	\$ 28,774,455	\$ 36,371,024	\$ 26,077,720
Excess (Deficiency) of Revenues over Expenditures	\$ 4,050,321	\$ 4,986,155	\$ (893,018)	\$ 3,658,972	\$ (1,438,539)	\$ 75,994	\$ 1,812,812	\$ (2,319,135)	\$ (7,246,334)	\$ 1,528,525
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	\$ -	\$ 4,498,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	17,051,173	17,292,413	16,583,007	6,889,920	15,357,714	9,275,347	10,306,740	10,717,477	17,158,824	13,722,730
Transfers out	(16,922,521)	(17,367,117)	(16,421,089)	(6,907,209)	(15,268,046)	(9,210,713)	(10,288,050)	(10,777,769)	(17,280,987)	(13,848,973)
Total Other financing sources (uses):	\$ 128,652	\$ 4,423,958	\$ 161,918	\$ (17,289)	\$ 89,668	\$ 64,634	\$ 18,690	\$ (60,292)	\$ (122,163)	\$ (126,243)
Net change in fund balances before special items	4,178,973	9,410,113	(731,100)	3,641,683	(1,348,871)	140,628	1,831,502	(2,379,427)	(7,368,497)	1,402,282
Extraordinary Item	-	-	-	-	6,010,439	-	-	(10,783,636)	-	-
Net Change in Fund Balance	\$ 4,178,973	\$ 9,410,113	\$ (731,100)	\$ 3,641,683	\$ 4,661,568	\$ 140,628	\$ 1,831,502	\$ (13,163,063)	\$ (7,368,497)	\$ 1,402,282
Debt service as a percentage of noncapital expenditures	4.08%	5.31%	3.74%	22.03%	4.25%	4.51%	4.62%	7.66%	8.80%	8.06%

**TOWN OF TRUCKEE, CALIFORNIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property (3)	Other Property* Property (3)	Unsecured Property (3)	Less Exemptions	Taxable Assessed Value	Total Direct		Factor of Taxable Assessed Value (3)
								Tax Rate (1)	Estimated Actual Taxable Value (2)	
2010	\$ 4,917,280,566	\$ 476,500,671		\$ 85,081,060		\$ 87,363,776	\$ 5,391,498,521	\$ 5,391,498,521		
2011	4,674,433,507	454,380,246		83,135,126		85,414,362	5,126,534,517	5,126,534,517		
2012	4,466,429,372	371,290,948		90,699,308		92,976,047	4,835,443,581	4,835,443,581		
2013	4,501,516,674	365,459,711		85,643,399		87,935,872	4,864,683,912	4,864,683,912		
2014	4,599,723,851	356,086,264		91,126,920		93,435,442	4,953,501,593	4,953,501,593		
2015	4,868,951,957	352,854,053		91,562,737		93,874,975	5,219,493,772	5,219,493,772		
2016	5,219,949,401	360,730,093		87,977,181		90,335,847	5,578,320,828	5,578,320,828		
2017	5,479,041,917	375,095,503		80,191,915		83,324,884	5,851,004,451	5,851,004,451		
2018	5,814,215,053	386,753,109		80,571,933		83,815,641	6,197,724,454	6,197,724,454		
2019	6,012,126,106	182,344,860	22,327,787	517,926,665	84,569,122	90,661,952	6,728,632,588	7,777,639,866	0.197643	1.155902

Source: Nevada County Assessor data, Avenu Insights & Analytics

Table has been reformatted to comply with GASB No. 44 and include estimated actual value

Prior Year values are net of all exemptions

\* Other Property includes State Unitary tax \$2,366,400

(1) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 3-001

Tax rate is not adjusted for ERAF

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices

Based on these calculations a multiplier value was extrapolated and applied to current assessed values

(3) 2019 was the first year presented. Prior year data was not available.

TOWN OF TRUCKEE, CALIFORNIA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Direct Rates:										
Town of Truckee*	0.197643	0.197643	0.197643	0.197643	0.197643	0.197643	0.197643	0.197643	0.197643	0.197643
County of Nevada	0.802357	0.802357	0.802357	0.802357	0.802357	0.802357	0.802357	0.802357	0.802357	0.802357
Total Direct Rate	<u>1.000000</u>									
Overlapping Rates										
Tahoe Forest Hospital 2007	0.0209	0.0198	0.0234	0.0267	0.0300	0.0301	0.0307	0.0000	0.0188	0.0099
TTJUSD Series A 1998 Refunding 2010	0.0000	0.0000	0.0043	0.0044	0.0049	0.0049	0.0060	0.0026	0.0059	0.0021
TTJUSD Series A 1993	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0033
TTJUSD Series B 1993	0.0000	0.0013	0.0015	0.0015	0.0017	0.0018	0.0019	0.0020	0.0020	0.0017
TTJUSD 1993 Refunding 2004	0.0059	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
TTJUSD SFID #1 1999	0.0281	0.0300	0.0302	0.0300	0.0337	0.0413	0.0381	0.0377	0.0373	0.0335
TTJUSD SFID #1 2014	0.0267	0.0364	0.0440	0.0338	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Sierra College SFID #1 2004	0.0125	0.0117	0.0123	0.0095	0.0093	0.0102	0.0117	0.0114	0.0106	0.0091
Total Overlapping Rate	<u>0.0941</u>	<u>0.0992</u>	<u>0.1157</u>	<u>0.1059</u>	<u>0.0796</u>	<u>0.0883</u>	<u>0.0884</u>	<u>0.0537</u>	<u>0.0746</u>	<u>0.0596</u>
Total Direct and Overlapping Rate	<u>1.0941</u>	<u>1.0992</u>	<u>1.1157</u>	<u>1.1059</u>	<u>1.0796</u>	<u>1.0883</u>	<u>1.0884</u>	<u>1.0537</u>	<u>1.0746</u>	<u>1.0596</u>

Source: Nevada County Auditor data, Avenu Insights & Analytics

\*City direct rate is not adjusted for ERAF, Tax Rate Area Code 3-001 is represented

TOWN OF TRUCKEE, CALIFORNIA  
 ASSESSED VALUE OF PROPERTY BY USE CODE, TOWN-WIDE  
 LAST FISCAL YEAR

<b>Category</b>	<b>2019</b>
Residential	\$ 6,012,126,106
Vacant	290,038,760
Commercial	182,344,860
Professional	88,171,717
Miscellaneous	73,494,622
Unknown	63,855,166
Industrial	22,327,787
Gross Secured Value	6,732,359,018
State Unitary	2,366,400
Unsecured Value	84,569,122
Less Exemptions	(90,661,952)
Net Taxable Value	\$ 6,728,632,588

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Source: Nevada County Assessor Data, Avenu Insights & Analytics

**TOWN OF TRUCKEE, CALIFORNIA  
PRINCIPAL PROPERTY TAX PAYERS  
LAST FISCAL YEAR AND NINE YEARS AGO**

Taxpayer	2019		2010	
	Taxable Value	Percent of Total City Taxable Value	Taxable Value	Percent of Total City Taxable Value
HIDDEN LAKE PROPERTIES INC.	\$ 25,841,615	0.38%	20,506,089	0.37%
TRUCKEE MEADOWS WATER AUTHORIT	24,405,875	0.36%		
GATEWAY AT DONNER PASS LP	15,104,591	0.22%	20,370,635	0.36%
MARTIS CREEK LP	14,604,000	0.22%	12,790,000	0.23%
267 PARTNERS	12,070,018	0.18%	17,875,867	0.32%
SAFEWAY INC.	9,571,187	0.14%	11,812,491	0.21%
TAHOE DONNER PROP OWNERS ASSOC	9,046,756	0.13%	5,805,000	0.10%
LONGS DRUG STORES CALIFORNIA I	8,707,392	0.13%		
JOERGER ASSOC LLC	8,273,176	0.12%		
SUDDENLINK COMMUNICATIONS	8,192,280	0.12%		
J MAR I LLC	7,763,220	0.12%		
TRUCKEE DONNER I LLC	7,554,582	0.11%		
TEICHERT LAND CO	7,280,971	0.11%	5,885,148	0.11%
VISTA TRUCKEE TAHOE LLC	7,199,719	0.11%		
TAHOE CLUB COMPANY LLC	6,840,516	0.10%	65,200,505	1.17%
GATEWAY EAST OF TRUCKEE LLC	6,801,378	0.10%	5,933,447	0.11%
TRUCKEE DEV ASSOC LLC	6,797,490	0.10%	11,300,000	0.20%
AMERICAN PETROLEUM LLC	6,745,981	0.10%		
TRUCKEE TAHOE LUMBER CO	6,657,509	0.10%		
P M MARCIANO CAPITAL LLC	6,639,406	0.10%	5,878,260	0.11%
CLEARWATER LAND CO	6,596,752	0.10%	5,828,700	0.10%
TB TRIPLE T VENTURES LLC	5,441,000	0.08%	14,020,587	0.25%
COYOTE MOON LLC	5,426,000	0.08%	14,049,139	0.25%
TRUCKEE CROSSROADS SC LP	5,118,000	0.08%	6,132,547	0.11%
THREE RS LLC	5,019,000	0.07%	10,746,849	0.19%
OLD GREENWOOD LLC			76,396,953	1.37%
TRUCKEE TAHOE HOTEL LLC			14,760,422	0.26%
GRAYS STATION LLC			12,606,618	0.23%
SCRIPPS PALISADES LLC			10,712,779	0.19%
VILLAGE AT GRAYS CROSSING LP T			8,637,382	0.15%
PINYON CREEK LLC			7,794,899	0.14%
SWD NGP LLC			6,877,156	0.12%
ALDER PACIFIC ASSOC			6,655,080	0.12%
HOSEIT MGMT LLC			6,393,273	0.11%
Total Top 25 Taxpayers	\$ 233,698,414	3.46%	\$ 384,969,826	6.88%
Total Taxable Value	\$ 6,728,632,588		\$ 5,590,621,122	

Source: Nevada County Assessor data, Avenu Insights & Analytics

TOWN OF TRUCKEE, CALIFORNIA  
 PRINCIPAL SALES TAX PRODUCERS  
 LAST FISCAL YEAR AND NINE YEARS AGO

Fiscal Year			
2019	2010		
Taxpayer	Business Type	Taxpayer	Business Type
A. Teichert & Son	Bldg Matls-Whsle	7-Eleven Food Stores	Grocery W/Beer/Wine
Bar Of America And Pacific Crest Grill	Restaurants W/Onsale	A.Teichert & Son	Bldg Matls-Whsle
Beacon Service Stations	Service Stations	Beacon Service Stations	Service Stations
Consolidated Electrical Distributors	Plumbing & Electric	Chevon Service Stations	Service Stations
CVS/Pharmacy	Drug Stores	CVS/Pharmacy	Drug Stores
Edges Electrical Group	Electronic Equipment	Ferguson Enterprises	Bldg Matls-Whsle
Fast Lane Gas	Service Stations	Granite Electrical Supply	Plumbing & Electric
Ferguson Enterprises	Bldg Matls-Whsle	J & L Food Mart	Service Stations
Fifty Fifty Brewing Co.	Restaurants W/Onsale	Marsh Ventures	Bldg Matls-Whsle
J & L Food Mart	Service Stations	McDonald's Restaurants	Fast Food Restaurant
Marsh Ventures	Bldg Matls-Whsle	Moody's Bistro & Lounge	Restaurants W/Onsale
McDonald's Restaurants	Fast Food Restaurant	Mountain Hardware And Sports	Hardware Stores
Moody's Bistro Bar & Beats	Restaurants W/Onsale	Mountain Home Center	Home Furnishings
Mountain Hardware And Sports	Hardware Stores	Pianeta Ristorante	Restaurants W/Onsale
Mountain Home Center	Home Furnishings	Rite Aid Drug Stores	Drug Stores
Rite Aid Drug Stores	Drug Stores	Safeway Stores	Supermarkets
Safeway Stores	Supermarkets	Save Mart Supermarkets	Supermarkets
Save Mart Supermarkets	Supermarkets	Shell Service Stations	Service Stations
Shell Service Stations	Service Stations	Tahoe Donner Association	Hotel Food/Bar Sales
Tahoe Donner Association	Hotel Food/Bar Sales	Tahoe Supply Company	Specialty Stores
The Sports Exchange	Sporting Goods	The Pavilion	Personal Services
Truckee Paint Mart	Paint/Glass/Wallpapr	Truckee-Tahoe Lumber Co.	Plumbing & Electric
Truckee-Tahoe Lumber Co.	Plumbing & Electric	Union 76 Gas Stations	Service Stations
Union 76 Service Stations	Service Stations	Western Energetix	Service Stations
Western Nevada Supply Co.	Building Matls Store	Western Nevada Supply Co.	Building Matls Store

TOWN OF TRUCKEE, CALIFORNIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year End	Capital Leases		Business-Type Activities:		Total Outstanding Debt	Percentage of Personal Income <sup>1</sup>	Population <sup>1</sup>	Debt per Capita
	Governmental Activities:							
2010	\$	10,660,000	\$	-	\$ 10,660,000	2.11%	16,164	\$ 659
2011		10,385,000		-	10,385,000	1.99%	16,009	649
2012		10,095,000		-	10,095,000	1.75%	16,100	627
2013		9,795,000		-	9,795,000	1.64%	16,132	607
2014		9,490,000		-	9,490,000	1.58%	16,191	586
2015		9,175,000		-	9,175,000	1.40%	16,184	567
2016		8,965,000		-	8,965,000	1.30%	16,231	552
2017		8,603,000		-	8,603,000	1.20%	16,277	529
2018		12,432,000		-	12,432,000	1.67%	16,309	762
2019		12,053,000		-	12,053,000	1.58%	16,434	733

<sup>1</sup> Personal income and population are disclosed as part of the *Demographic and Economic Statistics*

**TOWN OF TRUCKEE, CALIFORNIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**

Fiscal Year 2019 Assessed Value: \$ 6,750,379,049

<b>Governmental Unit:</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Town's Share of Debt</b>
			\$ -
<b>Overlapping Tax and Assessment Debt</b>			-
Sierra Joint Community College District School Facilities Improvement District No. 1	\$ 25,041,250	31.084%	7,783,822
Tahoe-Truckee Joint Unified School District Tahoe-Truckee Joint Unified School District School Facilities Improvement District No. 1	2,790,001	29.783%	830,946
Tahoe Forest Hospital District	102,254,958	52.173%	53,349,479
Truckee-Donner Public Utilities District Community Facilities District	97,590,002	31.295%	30,540,791
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	39,334,800	100%	<u>39,334,800</u>
			\$ 131,839,838
<b>Direct and Overlapping General Fund Debt</b>			
Nevada County Certificates of Participation	\$ 33,024,581	34.221%	\$ 11,301,342
Nevada County Board of Education General Fund Obligations	1,003,957	34.221%	343,564
Sierra Joint Community College District Certificates of Participation	372,600	67.390%	251,095
Town of Truckee General Fund Obligations	8,118,000	<b>100%</b>	<b>8,118,000</b>
Truckee Donner Recreation and Park District Certificates of Participation	18,935,000	94.277%	17,851,350
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 37,865,351</u>
<b>Overlapping Tax Increment Debt (Successor Agency)</b>	\$ 12,225,000	100%	\$ 12,225,000
TOTAL DIRECT DEBT			8,118,000
TOTAL OVERLAPPING DEBT			173,812,189
<b>COMBINED TOTAL DEBT</b>			<u>\$ 181,930,189</u> <sup>2</sup>
<b>Ratios to Fiscal Year 2019 Assessed Valuation:</b>			
Total Overlapping Tax and Assessment Debt		1.95%	
<b>Total Direct Debt (\$8,497,000)</b>		<b>0.12%</b>	
Combined Total Debt		2.70%	
<b>Ratios to Redevelopment Incremental Valuation (\$253,790,371):</b>			
Total Overlapping Tax and Assessment Debt		4.82%	

Source: California Municipal Statistics

<sup>1</sup> The percentage of overlapping debt applicable to the Town is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the Town divided by the district's total taxable assessed value.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligation.

**TOWN OF TRUCKEE, CALIFORNIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Calendar Year	Population (1)	City		Personal Income (In Thousands)	Per Capita Personal Income (2)	Median Age (4)	% Of Pop 25+ with High School Diploma or Higher (5)	% of Pop 25+ with Bachelor's Degree or Higher (5)
		Unemployment Rate (3)	Personal Income					
2010	16,164	11.6%	\$ 504,931,032	\$	31,238	36.2	95.9%	44.9%
2011	16,009	11.5%	520,708,734		32,526	37.8	96.5%	43.1%
2012	16,100	10.1%	577,845,100		35,891	38.1	96.9%	43.5%
2013	16,132	8.2%	597,819,656		37,058	37.8	93.8%	41.9%
2014	16,191	6.4%	600,961,347		37,117	37.5	93.5%	42.2%
2015	16,184	5.4%	654,060,176		40,414	38.0	92.5%	41.0%
2016	16,231	4.8%	688,827,409		42,439	38.1	90.7%	44.4%
2017	16,277	4.1%	714,527,746		43,898	38.1	91.8%	43.0%
2018	16,309	2.9%	745,419,154		45,706	37.6	91.1%	43.0%
2019	16,434	2.2%	760,565,520		46,280	40.5	90.8%	44.5%

Source: Avenu Insights & Analytics

Source: 2018 and Prior data provided by Town of Truckee

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the United States Census Data and is adjusted for inflation.

3.) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.

4.) Median Age reflects the U.S. Census data estimation table.

5.) % of population with HS diploma and bachelors degree reflects the US Census Bureau data.

TOWN OF TRUCKEE, CALIFORNIA  
 PRINCIPAL EMPLOYERS  
 CURRENT FISCAL YEAR

<b>Business Name</b>	<b>2019</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>
Tahoe Forest Hospital	577	5.54%
Tahoe Truckee Unified School District	238	2.28%
Northstar Lodge (Welk Resorts)*	180	1.73%
Safeway	150	1.44%
Town of Truckee	111	1.07%
Truckee Donner Public Utility District	70	0.67%
Mark Tanner Construction	65	0.62%
Save Mart	42	0.40%
Truckee-Donner Recreation & Park District	31	0.30%
Bar of America	22	0.21%
Total Top 10 Employers	1,486	14.26%
 Total City Labor Force (1)	 10,420	

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Source: Avenu Insights & Analytics

Results based on direct correspondence with city's local businesses.

\*Count includes off-site employees who report to Truckee location

(1) Total City Labor Force provided by EDD Labor Force Data.

TOWN OF TRUCKEE, CALIFORNIA  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30										
By Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Admin Services	7.49	9.28	8.53	9.35	8.93	7.70	8.50	8.05	7.94	7.78
Animal Services	5.61	5.25	4.86	4.17	3.87	6.84	5.78	5.52	5.34	5.40
Building	9.49	8.44	8.12	7.77	5.36	4.69	4.40	3.95	2.92	5.15
Code Compliance	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Engineering	8.27	7.70	8.18	7.83	5.84	6.20	5.77	6.03	5.85	5.95
Facilities	5.54	5.29	5.19	3.80	3.23	3.44	2.90	2.80	2.75	2.75
Fleet Maintenance	6.47	6.18	5.18	5.18	5.43	6.08	6.08	6.08	6.20	6.20
Parking	2.01	2.05	1.58	1.75	1.65	2.01	2.40	2.80	2.78	2.98
Planning	7.55	7.45	7.99	6.50	5.55	5.05	5.11	5.01	5.95	6.45
Police	31.87	32.21	33.11	32.55	32.34	30.76	30.66	31.06	31.10	31.24
Road Maintenance	12.70	12.61	12.11	11.69	11.76	12.06	11.48	12.67	11.00	11.00
Snow Removal	11.77	11.87	11.06	11.30	11.06	11.06	11.46	13.38	13.61	13.61
Solid Waste	2.38	1.78	1.60	1.60	1.60	1.58	1.37	1.37	1.10	1.10
Town Attorney	0.90	0.90	0.85	0.85	0.85	0.00	0.75	0.95	0.95	0.95
Town Clerk	4.78	4.53	4.65	4.15	4.15	2.73	2.43	3.21	3.06	3.06
Town Manager	1.00	1.00	0.95	0.95	0.95	1.00	1.00	1.00	1.00	1.00
Transit	1.11	0.88	0.95	0.95	0.95	1.00	0.74	0.73	0.40	0.30
Successor Agency	0.80	0.80	1.16	1.15	1.15	1.30	1.41	0.00	0.00	0.00
Economic Development	1.30	1.40	0.95	0.95	0.95	0.00	0.00	0.00	0.00	0.00
Trails Maintenance	0.73	1.02	0.90	0.90	0.00	0.00	0.00	0.00	0.00	0.00
Brickelltown	0.27	0.52	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	3.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>	<b>126.58</b>	<b>122.26</b>	<b>119.50</b>	<b>114.49</b>	<b>106.72</b>	<b>104.60</b>	<b>103.34</b>	<b>105.71</b>	<b>103.05</b>	<b>106.02</b>

**TOWN OF TRUCKEE, CALIFORNIA  
OPERATING INDICATORS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Public Safety:</b> <sup>1</sup>										
Calls for service	14,839	13,828	15,924	13,780	14,605	15,598	13,360	13,337	13,552	
Arrests	487	469	437	394	425	577	427	502	479	
Parking Meter Revenue	\$ 851,678	\$ 826,943	\$ 730,620	\$ 638,097	\$ 557,488	\$ 528,577	\$ 504,085	\$ 422,251	\$ 369,210	\$ 348,108
Parking Citations Issued	1,855	1,861	1,129	1,385	1,293	1,337	2,263	2,797	3,886	
Volunteer in Policing (VIP) Hours Served	2,118	2,809	2,892	2,500	3,132	2,579	2,318	2,341	2,547	2,082
<b>Animal Services:</b> <sup>2</sup>										
Animal Intakes		1,136	991	1,066	1,077	898	724	369	417	358
In-House Spay/Neuters <sup>3</sup>		555	552	541	648	484	354	-	-	-
Animal Adoptions		605	634	600	607	443	401	206	277	183
<b>Public Works</b>										
Road Miles Maintained	158.49	158.30	157.73	157.73	155.11	155.11	154.22	153.74	153.62	154.62
<b>Community Development:</b>										
Residential Building Permits Issued <sup>4</sup>	1,021	1,218	1,093	962	639	256	55			
Commercial Building Permits Issued <sup>4</sup>	96	93	71	77	76	13	9			
Planning Projects Initiated	183	172	158	144	112	71	76	41	39	43
<b>Transit:</b>										
Total Passengers	24,226	19,118	18,111	22,201	25,051	21,869	24,295	27,233	24,745	15,755
Net Cost per Passenger to Town	\$ 50	\$ 59	\$ 48	\$ 50	\$ 29	\$ 32	\$ 28	\$ 23	\$ 26	\$ 40
<b>Solid Waste:</b>										
Residential Parcel Service Fee	\$ 360.40	\$ 338.89	\$ 292.86	\$ 286.40	\$ 277.54	\$ 263.48	\$ 252.82	\$ 221.12	\$ 200.62	\$ 194.96
Residential Parcels Served	12,140	12,040	11,828	11,644	11,627	11,560	11,509	11,470	11,446	11,429

Source: Town of Truckee and annual California State Controller's Office Transit Report

<sup>1</sup> Limited data tracking prior to fiscal 2011.

<sup>2</sup> 2019 data not available prior to publishing of financial statements.

<sup>3</sup> In-House Spay Neuter program commenced in Fiscal Year 2013.

<sup>4</sup> No data tracking prior to fiscal year 2013

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## OTHER REPORTS

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- Independent Auditor's Reports
  - Schedule of Federal Awards
  - Notes to the Schedule of Expenditures of Federal Awards
  - Schedule of Findings and Questioned Costs
  - Schedule of Prior Year Findings

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**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**

To the Town Council  
Truckee, California

We have audited, in accordance with the 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Truckee, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Truckee's basic financial statements, and have issued our report thereon dated December 3, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Truckee's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Truckee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Truckee's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Truckee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California  
December 3, 2019

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Town Council  
Truckee, California

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

We have audited the Town of Truckee, California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Truckee's major federal programs for the year ended June 30, 2019. The Town of Truckee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the Town of Truckee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Report on Internal Control over Compliance**

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

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

that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Truckee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Truckee's basic financial statements. We issued our report thereon dated December 3, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Sacramento, California  
December 3, 2019

**TOWN OF TRUCKEE, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number/Grant Number</u>	<u>Federal Expenditures</u>
<b>U.S Department of Housing and Urban Development</b>			
Home Investment Partnership Program	14.239	Beginning Loan Balance	\$ 12,319,143
Home Investment Partnership Program	14.239	Interest Income	382,795
Pass-Through State of California Department of Housing and Community Development:			
Community Development Block Grants	14.228	Beginning Loan Balance	931,928
Community Development Block Grants	14.228	Loan Payoffs	(81,807)
Community Development Block Grants	14.228	Interest Income	<u>3,066</u>
Total U.S. Department of Housing and Urban Development			<u>13,555,125</u>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607	2016BUBX16082263	<u>1,252</u>
Total U.S. Department of Justice			<u>1,252</u>
<b>U.S Department of Transportation</b>			
Pass-Through State of California Department of Transportation			
Highway Safety Improvement Program	20.205	HSIP-5473(019)	279,830
Formula Grants for Other than Urbanized Areas	20.509	64BO17-00518	85,405
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	64AO18-00691	<u>234,098</u>
Total U.S. Department of Transportation			<u>599,333</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>14,155,710</u></b>

**TOWN OF TRUCKEE, CALIFORNIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**TOWN OF TRUCKEE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Truckee. The Town of Truckee reporting entity is defined in Note 1 of the Town's Annual Financial Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the Town's basic financial statements. Federal award revenues are reported principally in the Town's financial statements as intergovernmental revenues in the governmental funds.

**NOTE 4: CLAIMS**

The Town of Truckee has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

**NOTE 5: LOANS OUTSTANDING**

The programs listed below had the following aggregate federally funded loans outstanding at June 30, 2019:

Federal CFDA Number	Program Title	Amount Outstanding
14.228	Community Development Block Grants	\$ 853,186
14.239	Home Investment Partnerships Program	<u>12,701,939</u>
	Total Loans Outstanding	<u>\$ 13,555,125</u>

**NOTE 6: INDIRECT COSTS**

The Town elected not to use the 10% de minimus indirect cost rate, and did not charge indirect costs to federal grants during the year ended June 30, 2019.

TOWN OF TRUCKEE, CALIFORNIA  
 SCHEDULE OF FINDINGS AND QUESTIONS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TOWN OF TRUCKEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2019

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Identification of Major Programs:	
Community Development Block Grants, 14.228	
Home Investment Partnerships Program, 14.239	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted <i>Government Auditing Standards</i>	No
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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Findings and questioned costs for Federal Awards, which includes audit findings and defined in section 200.516 of the Uniform Guidance	No
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TOWN OF TRUCKEE, CALIFORNIA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**SCHEDULE OF PRIOR YEAR FINDINGS  
JUNE 30, 2019**

There were no findings to report for the year ended June 30, 2018.