



May 2, 2025

To the Mayor and Town Council
Truckee, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Truckee for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 5, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of the depreciation is based on the Town's capitalization policy.

Management's estimates of OPEB and net pension liabilities are based on actuarially determined information.

Management's estimate of lease-related accounts is based on the present value of payments to be received or paid.

ROU subscription asset and subscription liability: Management's estimate of the ROU subscription asset and subscription liability is based on the present value of payments to be made.

We evaluated the methods, assumptions, and data used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment "A" summarizes misstatements detected as a result of our audit procedures which were corrected by management. Attachment "B" summarizes uncorrected misstatements identified during our audit procedures. Management determined these misstatements were not material to the consolidated financial statements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 2, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Truckee's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Truckee's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of contributions to the defined benefit pension plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions to the OPEB plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections of the annual comprehensive financial report,, which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

This information is intended solely for the information and use of the Mayor, Town Council and management of The Town of Truckee and is not intended to be, and should not be, used by anyone other than these specified parties

Very truly yours,

MUN CPAs, LLP

MUN CPA's, LLP

TOWN OF TRUCKEE
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2024

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
To record revenue for services performed in FY24	\$ 249,576	\$ 33,038		\$ 216,538	
To correct deposits related to project transfer		(3,623,749)		3,623,749	
To record insurance and benefits payable		22,851			22,851
To correct deposits related to project transfer		(1,319,634)		1,319,634	
To correct investment balance	(233,295)			(233,295)	
Total Income Statement Effect				<u>\$ 4,926,626</u>	<u>\$ 22,851</u>
Balance Sheet Effect	<u>\$ 16,281</u>	<u>\$ (4,887,494)</u>	<u>\$ -</u>		

TOWN OF TRUCKEE
SUMMARY OF PASSED AUDIT ADJUSTMENTS
June 30, 2024

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
To record projected error related to unrecorded revenue	\$ 37,156			\$ 37,156	
Total Income Statement Effect				<u>\$ 37,156</u>	<u>\$ -</u>
Balance Sheet Effect	<u>\$ 37,156</u>	<u>\$ -</u>	<u>\$ -</u>		